Company Registration No. 03239279 (England and Wales)

ACCESS COMPUTER CONSULTING PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2018

taylorcocks
Chartered Accountants & Tax Advisers

Abbey House
Hickleys Court
South Street
Farnham
Surrey
GU9 7QQ

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COMPANY INFORMATION

Directors	Mr A. Head Mr D. Butler-McAllister
Company number	03239279
Registered office	Access House 25-29 Church Street Basingstoke Hampshire RG21 7QQ
Auditors	Taylorcocks Abbey House Hickleys Court South Street Farnham Surrey GU9 7QQ

ACCESS COMPUTER CONSULTING PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report and financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company during the year under review was that of computer consultancy, staff recruitment and subcontracting agency.

Business Review

2018 was a year of growth for Access in all our people related areas, Recruitment, Contract Supply and Managed Services where we were able to increase business during the year due to the solid foundations we have made in conjunction with retaining and adding key and well rewarded staff to our team and implementing a strategic staff training programme to keep them focussed and fresh.

Sales increased by 40.5% but the cost of sales due to our massive investments in Marketing & R&D went up by nearly 64% creating a drop of 12% in GP. I firmly believe this to be a blip which will be realigned in 2019.

Despite the reduction from a percentage angle in gross profit the Directors are very happy with the direction the company is taking alongside the increased financial stability of the company.

Automated Product growth was affected by our continued and increased investment with development (R&D), partly due to the change in direction we decided upon by going away from an end to end product and towards a more modularised set of tools that would be better suited to the demands and needs of the market. Our investment was in tandem with the change in policy by Microsoft regarding rigid releases of Windows 10 builds, updates and support to a less aggressive structure which created a collapse in some potential sales as the steam was taken out of the market which cost us dear. The extensive development we have undertaken will reflect in a more resilient set of products and increased sales in 2019.

Expenditure in upgrading our entire estate to an off prem cloud-based solution will give us the footings and ability to be agile and expand more freely in the future.

Principal risks and uncertainties

Market conditions in our manpower sectors remain uncertain and, with a reduced supply of skilled IT professionals being available due to a number of reasons, alongside automation changing the skill base of the market means that we have high demand for given skills, but they are not always available or in the geographical areas needed.

The impact of Brexit on the candidate market is still unknown in terms of their ability to work across the UK and Europe but this could have a significant impact on our future candidate pool, which will be combated by us having to work smarter.

The contractor market is facing massive changes with the introduction of new IR35 regulations which will greatly impact upon the flexible workforce all Governments are so keen to have available and at their disposal. Full regulations have not been published so we await this before we make our own policy decisions.

SQA have reduced their debt in 2019 but as this is still a significant amount we have asked them for a repayment plan including guarantees and penalties, which is currently under discussion.

On behalf of the board

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Mr A. Head

Director

Date: 22/5/19.

The directors present their annual report and financial statements for the year ended 31 December 2018.

Directors

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

Mr A. Head
Mr A. I. Tyers (Resigned 4 January 2019)
Mr D. Butler-McAllister

Results and dividends

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

Ordinary dividends were paid amounting to £30,000. The directors do not recommend payment of a final dividend.

Financial instruments

Details of the company's financial risk management objectives and policies are included in Note 20 to the accounts.

Future developments

The investments which we made in 2016 in our internal systems have enabled the company to create a base that will allow us to be 100% cloud based, resulting in our ability to run more efficiently thereby creating a more agile environment. We will continue to invest in our systems and strategy so that we run the business as efficiently as possible, and also to enable scalability and efficient working across our different offices.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor
Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board

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Mr A. Head
Director
22/5/19

Qualified opinion

We have audited the financial statements of Access Computer Consulting PLC (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

Included in the debtors shown on the balance sheet is an amount of £560,099 from a customer of which £450,099 had not been collected at the date these financial statements are signed. As explained in note 2 the directors have assessed the balance for impairment and determined that the balance is recoverable in full. However, the evidence available to us was limited because there was no information upon which we could rely for the purposes of our audit, to support how the customer's commitment to repay the balance would be met. There were no satisfactory audit procedures that we could adopt to confirm the basis for the directors' conclusion of their impairment review.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

In respect solely of the limitation on our work relating to debtors, described above:

- we have not obtained all the information and explanations necessary for the purpose of our audit

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

Taylorcocks.

Helen Kay BA FCA (Senior Statutory Auditor)
for and on behalf of

taylorcocks
Chartered Accountants & Tax Advisers

Statutory Auditor

Office: Farnham

Date: 24 May 2019.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	12,233,766	8,706,882
Cost of sales		(10,189,080)	(6,215,416)
Gross profit		2,044,686	2,491,466
Administrative expenses		(1,243,365)	(1,655,943)
Operating profit	4	801,321	835,523
Interest receivable and similar income	8	7,667	9,879
Interest payable and similar expenses	9	(35,198)	(30,339)
Profit before taxation		773,790	815,063
Tax on profit	10	(25,457)	(57,081)
Profit for the financial year		748,333	757,982

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 24 form part of these financial statements

ACCESS COMPUTER CONSULTING PLC

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	12		8,606		8,824
Current assets					
Debtors	14	2,981,965		2,816,993	
Cash at bank and in hand		587,281		148,875	
		3,569,246		2,965,868	
Creditors: amounts falling due within one year	15	(1,013,910)		(1,129,083)	
Net current assets			2,555,336		1,836,785
Total assets less current liabilities			2,563,942		1,845,609
Capital and reserves					
Called up share capital	19		50,000		50,000
Profit and loss reserves			2,513,942		1,795,609
Total equity			2,563,942		1,845,609

The financial statements were approved by the board of directors and authorised for issue on 22ND MAY 19 and are signed on its behalf by:

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Mr A. Head
Director

Company Registration No. 03239279

The notes on pages 12 to 24 form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		50,000	1,192,627	1,242,627
Period ended 31 December 2017:				
Profit and total comprehensive income for the year		-	757,982	757,982
Dividends	11	-	(155,000)	(155,000)
Balance at 31 December 2017		50,000	1,795,609	1,845,609
Period ended 31 December 2018:				
Profit and total comprehensive income for the year		-	748,333	748,333
Dividends	11	-	(30,000)	(30,000)
Balance at 31 December 2018		50,000	2,513,942	2,563,942

ACCESS COMPUTER CONSULTING PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash generated from operations	**23**		524,259		375,155
Interest paid			(35,198)		(30,339)
Income taxes paid			(35,180)		(90,239)
Net cash inflow from operating activities			453,881		254,577
Investing activities					
Purchase of tangible fixed assets		(9,470)		(5,023)	
Interest received		7,667		9,879	
Net cash (used in)/generated from investing activities			(1,803)		4,856
Financing activities					
Reduction in directors loan accounts		16,328		11,184	
Dividends paid		(30,000)		(155,000)	
Net cash used in financing activities			(13,672)		(143,816)
Net increase in cash and cash equivalents			438,406		115,617
Cash and cash equivalents at beginning of year			148,875		33,258
Cash and cash equivalents at end of year			587,281		148,875

The notes on pages 12 to 24 form part of these financial statements

1 Accounting policies

Company information

Access Computer Consulting PLC is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is Access House, 25-29 Church Street, Basingstoke, Hampshire, RG21 7QQ.

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Turnover

In relation to contract placements, revenue is recognised by the company in respect of services supplied on a month by month basis, exclusive of value added tax.

In relation to permanent placements, turnover is recognised at the date on which the candidate commences employment, exclusive of value added tax.

For contracts to provide software and computer consultancy services the company recognises revenue to the extent that it has obtained the right to consideration through its performance under the contract. Revenue in respect of maintenance and support contracts is recognised over the term of the contract.

1.4 Research and development expenditure

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

1.5 Tangible fixed assets

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

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

Fixtures and fittings	25% straight line
Computer equipment	50% straight line
Motor vehicles	25% reducing balance

1 Accounting policies **(Continued)**

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

1.7 Cash and cash equivalents

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

1.8 Financial instruments

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

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

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

Basic financial assets

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

1 Accounting policies **(Continued)**

Impairment of financial assets

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

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

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

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

1.9 Equity instruments

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

1.10 Taxation

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

1 Accounting policies **(Continued)**

Current tax

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.11 Employee benefits

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

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

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the company. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.14 Foreign exchange

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account.

2 Judgements and key sources of estimation uncertainty

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

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

Impairment of financial assets

Included within Trade debtors at 31st December 2018 is a balance of £560,099, due from a single customer, of which £450,099 had not been recovered at the date of signing these financial statements. The company holds no security over the customer's debt.

In accordance with the company's accounting policy, the carrying value of trade debtors has been reviewed by the Directors for impairment. Their review, which encompassed a review of the customer's internal financial information, assessed whether the carrying value of the trade debtor was supported by the expected future cash flows likely to be recovered from the customer.

The Directors' impairment review concluded that no impairment charge was required, as in their judgement, the carrying amount of Trade debtors did not exceed the amounts they expected to recover. Their impairment review necessarily involves making numerous estimates and assumptions regarding the future timing and amounts of the cash flows expected from the customer. The key assumptions used for estimating the cash flows in the impairment review relate to the customer's profitability, its future sales growth and its financial resources. These expectations consider the internal financial information of the customer, the macroeconomic environment, industry and market conditions.

The estimates used may differ from future actual results of cash flows, and it is possible that these differences could be material. Further, future events, including changes within the customer's business, could cause the company to conclude that impairment indicators exist. Any resulting impairment loss could have a material impact on the company's financial condition and results of operations.

3 Turnover

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

	2018	2017
	£	£
Turnover		
Temporary contractors	10,816,275	7,938,089
Permanent placements	182,142	147,297
Sale of software	1,235,349	621,496
	12,233,766	8,706,882

3 Turnover (Continued)

Other revenue		
Interest income	7,667	9,879

Turnover analysed by geographical market

	2018	2017
	£	£
United Kingdom	11,745,731	8,706,882
Overseas	488,035	-
	12,233,766	8,706,882

4 Operating profit

	2018	2017
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange (gains)/losses	(17,367)	8,169
Depreciation of owned tangible fixed assets	5,223	5,854
Loss on disposal of tangible fixed assets	4,464	-
Operating lease charges	68,918	65,178

5 Auditors' remuneration

	2018	2017
Fees payable to the company's auditor and its associates:	£	£
For audit services		
Audit of the company's financial statements	4,000	4,000
For other services		
In respect of other services	7,249	17,073

6 Employees

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

	2018 Number	2017 Number
Distribution staff	10	9
Administrative staff	3	3
Management staff	2	2
	15	14

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	743,853	609,488
Social security costs	86,007	61,405
Pension costs	15,787	19,135
	845,647	690,028

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	364,857	256,769

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Other interest income	7,667	9,879

9 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	426	1,142
Other finance costs:		
Finance service charges	34,772	29,197
	35,198	30,339

10 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	152,568	162,291
Adjustments in respect of prior period R&D claim	(127,111)	(105,210)
Total current tax	25,457	57,081
Total tax charge	25,457	57,081

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

	2018	2017
	£	£
Profit before taxation	773,790	815,063
Expected tax charge based on a corporation tax rate of 19.00%	147,020	154,862
Tax effect of expenses that are not deductible in determining taxable profit	6,872	5,419
Adjustments in respect of prior year R&D claim	(127,111)	(105,210)
Effect of change in corporation tax rate	-	2,010
Tax expense for the year	26,781	57,081

11 Dividends

	2018	2017
	£	£
Interim paid	30,000	155,000

12 Tangible fixed assets

	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2018	6,683	21,103	15,110	42,896
Additions	-	9,470	-	9,470
Disposals	(5,183)	(15,426)	-	(20,609)
At 31 December 2018	1,500	15,147	15,110	31,757
Depreciation and impairment				
At 1 January 2018	3,849	16,836	13,388	34,073
Depreciation charged in the year	541	4,251	431	5,223
Eliminated in respect of disposals	(3,348)	(12,797)	-	(16,145)
At 31 December 2018	1,042	8,290	13,819	23,151
Carrying amount				
At 31 December 2018	458	6,857	1,291	8,606
At 31 December 2017	2,835	4,267	1,722	8,824

13 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,981,965	2,816,993
Carrying amount of financial liabilities		
Debt instruments measured at amortised cost	577,297	753,644

14 Debtors

	2018	2017
Amounts falling due within one year:	**£**	**£**
Trade debtors	2,371,910	2,144,434
Directors loan account	292,381	308,709
Other debtors	82,257	82,257
Prepayments and accrued income	235,417	281,593
	2,981,965	2,816,993

15 Creditors: amounts falling due within one year

	2018	2017
	£	**£**
Corporation tax payable	152,568	162,291
Trade creditors	518,182	467,815
Other taxation and social security	284,045	213,148
Other creditors	6,015	229,764
Accruals and deferred income	53,100	56,065
	1,013,910	1,129,083

Included within 'Other creditors' is an amount of £1,000 (2017 - £229,764) in relation to a commercial finance facility which is secured against the invoices of the company.

16 Retirement benefit schemes

	2018	2017
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	15,787	19,135

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties. Leases are negotiated for an average term of 10 years and rentals are fixed for an average of 10 years.

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

	2018	2017
	£	£
Within one year	41,157	33,417
Between two and five years	12,000	37,677
	53,157	71,094

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is shown in note 7 to the financial statements.

During the year fees in respect of one of the director's services totalling £164,250 (2017: £113,825) were payable to a company of which that director is a shareholder and director. As at the year-end £10,350 (2017: £1,800) was owed to that company.

19 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000

The company has one class of ordinary shares which entitles the holder to full voting rights, full entitlement in respect of dividends and on winding up.

20 Finanical risk management, objectives and policies

Interest rate risk
The company's borrowings incurred interest during the period at 2% above the bank's base rate, subject to a minimum rate of 6%.

Credit risk
The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Currency risk
As at 31st December 2018 the company had no material currency exposures. The company's financial instruments are materially denominated in sterling.

Fair values of financial assets and liabilities
An assessment of the fair value of the company's financial instruments held for financing purposes has been undertaken as at 31st December 2018. No material differences exist between book and fair value.

21 Directors' transactions

One of the directors maintains a loan account with the company. At the beginning of the year the director owed the company £308,708. During the year a further £30,114 was advanced, and repayments of £54,107 were received. At the the year-end, the director owed the company £292,381. Interest of £7,667 was charged on the loan at 2.5%.

22 Controlling party

During the current and previous year, the company was under the control of Mr A. Head by virtue of his majority shareholding.

23 Cash generated from operations

	2018	2017
	£	£
Profit for the year after tax	748,333	757,982
Adjustments for:		
Taxation charged	25,457	57,081
Finance costs	35,198	30,339
Investment income	(7,667)	(9,879)
Loss on disposal of tangible fixed assets	4,464	-
Depreciation and impairment of tangible fixed assets	5,223	5,854
Movements in working capital:		
(Increase) in debtors	(181,299)	(450,734)
(Decrease) in creditors	(105,450)	(15,489)
Cash generated from operations	524,259	375,154