Company Registration No. 02278553 (England and Wales)

QUESTIONMARK COMPUTING LIMITED

CONSOLIDATED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

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QUESTIONMARK COMPUTING LIMITED

COMPANY INFORMATION

Directors	B J Waldron J Kleeman E R Shepherd L R D John H W B Sallitt L D Pedersen
Secretary	J Kleeman
Company number	02278553
Registered office	Moor Place 1 Fore Street London United Kingdom EC2Y 9DT
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom
Bankers	CYBG 30 St Vincent Place Glasgow G1 2HL

QUESTIONMARK COMPUTING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Introduction

Decisions matter. When good decisions are made, they help businesses, academic institutions and public sector organizations achieve their goals. This is particularly the case in the context of people-based decisions. Productivity is higher and team members feel more engaged. Making good people-related decisions often depends on the quality of the information they are based on.

Questionmark provides a secure enterprise-grade assessment platform, professional services and ready-made content to leading organizations around the world, delivered with care and unequalled expertise. Our full-service online assessment tool, professional services and assessment content help customers to improve their performance and meet their compliance requirements. Questionmark enables organizations to unlock their potential by delivering assessments which are valid, reliable, fair and defensible.

Questionmark offers secure powerful integration with other LMS, LRS and proctoring services making it easy to bring everything together in one place. Questionmark's cloud-based assessment management platform offers rapid deployment, scalability for high-volume test delivery, 24/7 support, and the peace-of-mind of secure, audited U.S., Australian and European-based data centers.

Our strategy is to help our clients to better manage what in most cases is their most valuable asset: their employees. We help our enterprise customers to make informed decisions about who needs to learn what, who has what potential, and who has what aspirations, for instance. We also help awarding bodies and certifying organizations assess candidates to offer qualifications efficiently and fairly.

As more and more employers realize that their management information is incomplete without a clear assessment of their people's capabilities and expertise, and as more awarding bodies seek to offer assessments at a distance, so our platform and services will continue to play a greater role in informing better decisions.

Business review

We were pleased to welcome our new CEO, Lars Pedersen at the start of 2019 with Eric Shepard moving to a non-executive role. The Board would like to thank Eric for his immense contribution and ongoing support.

The Board believe that the 2020 enforced workplace changes make Questionmark solutions more relevant and we are seeing an acceleration in the move to online proctoring and online assessments. The group continues to make good progress towards its 2020 strategic goals.

Financial KPIs show a revenue increase in 2019 of 8% (2018: decrease 1.7%) as the company reduced churn and started the see the benefits of the OnDemand platform change. The Group's OnDemand revenues grew by 13% year on year, to £7.3m from £6.4m. The accelerated investment in product, core business systems and people during 2017 and the first three quarters of 2018 came to an end as planned. During 2019, we restructured the business in part to adjust to our strategy and in part to realign the cost base with revenue with an aim to profitability in 2020. Unfortunately the restructure did require some headcount reduction which was completed in the first half of the year. The Group made an operating loss of £826,700 (2018: loss of £2,425,001) and EBITDA (profit before interest, tax, depreciation and amortisation) was a profit of £366,567 (2018: loss of £1,244,268).

The board considers the key performance indicators "KPIs" for the Group to be as follows:

KPIs	2019	2018	2017
Revenue (£000s)	12,047	11,141	11,335
EBITDA (£000s)	367	(1,244)	(1,325)
Operating (Loss)(£000s)	(827)	(2,425)	(2,221)
Closing headcount	79	125	132

More information on our company is available at www.questionmark.com.

Principal risks and uncertainties

Business risk arises mainly from legislative, and technological changes and competitive pressures for both customers and staff, and these are kept under constant review.

Financial Risk Management

The Group's operations expose it to a variety of financial risks, including foreign exchange risks, credit risk and liquidity risk. The Group has controls in place that minimise any potential adverse effects of such risks on financial performance. These controls are as follows:

Foreign exchange risk

Foreign exchange risk arises from commercial transactions, recognised assets and liabilities that are recognised in currencies that are not the base functional currency. The Group's transactions are primarily denominated in GBP, USD and EUR and seeks to mitigate exchange risk exposure by matching costs and revenues in the same currency as far as practically possible.

Credit risk

The Directors are satisfied that credit risk is minimised through close ongoing relationships with its predominantly blue-chip and government customers and with its established channel partners. New customers are provided with temporary licence keys or temporary OnDemand areas until their first payment has been received.

Liquidity risk

The Group addresses liquidity risk through careful focus on overhead control and cash management and regular cash flow forecasting. Customers are invoiced promptly and in accordance with their contract terms, ranging from 60 days in advance to one quarter in arrears. Receivables are reviewed regularly to identify potential bad debts, whilst the Group has the ability to suspend services should a customer delay or default on payment.

Future developments

The Group is actively investing in product development to maintain and increase customer satisfaction and underpin growth in 2020. With the support of FPE, a stable customer base across multiple industries delivering strong recurring revenues and growth opportunities for assessments as part of a cross-industry drive to improve their Human Capital, we are confident about the Group's future prospects.

The Group is weathering the Covid storm and despite some challenges should achieve budget in 2020.

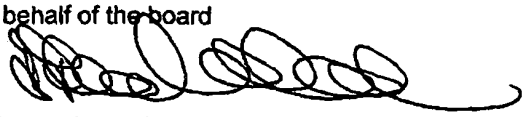
Going concern

The Group is not facing a going concern challenge and has actively managed its cash position.

Post balance sheet event

There are no Post balance sheet events to report. While the Covid outbreak has introduced additional challenges these have and continue to be managed.

On behalf of the board



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B J Waldron

Chairman & Director

Date: 7/8/20

QUESTIONMARK COMPUTING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities
The principal activity of the company and group continued to be that of the development and marketing of its proprietary Assessment Management Platform technology and related services that enable organisations to measure knowledge, skills and attitudes securely and achieve successful learning outcomes.

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

B J Waldron	
M S Aspinall	(Resigned 31 October 2019)
J Kleeman	
E R Shepherd	
L R D John	
H W B Sallitt	
L D Pedersen	(Appointed 19 September 2019)

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Going concern
In light of the COVID-19 outbreak, the directors are considering appropriate measures to respond to the uncertain outlook and ensure that the group remains a going concern over the next 12 months. Whilst there can be no certainty due to the conditions across the world at present, the directors are confident in the future of the business based on action plans and forecasts. The directors therefore consider it appropriate for the financial statements to be prepared on the going concern basis.

Directors' insurance
The group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the group.

Research and development
The improvement of existing services and processes, together with the identification and development of new technology and solutions, are important aspects of the Group's strategy to enhance the quality of service to customers and improve methods of working.

Post reporting date events
The Group's business operations have been affected by the COVID-19 pandemic. Management are constantly reviewing the situation and the measures taken to mitigate risk and uncertainty. There have been no other significant events affecting the Group since the year end.

Auditor
RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual 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



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B J Waldron

Director

Date: 7/8/20

QUESTIONMARK COMPUTING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 QUESTIONMARK COMPUTING LIMITED

Opinion

We have audited the financial statements of Questionmark Computing Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements 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 the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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 and 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 5, 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.

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.

RSM UK Audit LLP

David Blacher ACCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom
..... 10/8/20

QUESTIONMARK COMPUTING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	12,046,554	11,140,607
Cost of sales		(2,061,416)	(1,534,621)
Gross profit		9,985,138	9,605,986
Administrative expenses		(10,811,838)	(12,030,987)
EBITDA*		366,567	(1,244,268)
Amortisation		(1,173,969)	(1,133,961)
Depreciation		(19,298)	(46,772)
Operating loss	8	(826,700)	(2,425,001)
Interest receivable and similar income	9	250	458
Interest payable and similar expenses	10	(198,738)	(4,789)
Loss before taxation		(1,025,188)	(2,429,332)
Tax on loss	11	896,124	(20,119)
Loss for the financial year		(129,064)	(2,449,451)
Other comprehensive income net of taxation			
Currency translation differences		179,828	(324,517)
Total comprehensive income for the year		50,764	(2,773,968)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

* Earnings Before Interest, Tax, Depreciation and Amortisation.

Company Registration No. 02278553

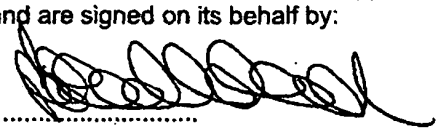
QUESTIONMARK COMPUTING LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	12		4,824,675		5,037,793
Tangible assets	13		-		47,690
			4,824,675		5,085,483
Current assets					
Debtors	16	3,251,447		2,225,052	
Cash at bank and in hand		1,272,666		800,581	
		4,524,113		3,025,633	
Creditors: amounts falling due within one year	17	(5,814,166)		(6,063,981)	
Net current liabilities			(1,290,053)		(3,038,348)
Total assets less current liabilities			3,534,622		2,047,135
Creditors: amounts falling due after more than one year	18		(1,798,535)		(80,840)
Provisions for liabilities	20		(351,048)		(633,576)
Net assets			1,385,039		1,332,719
Capital and reserves					
Called up share capital	22		250		246
Share premium account	23		4,783,518		4,781,966
Other reserves	23		10		10
Profit and loss reserves	23		(3,398,739)		(3,449,503)
Total equity			1,385,039		1,332,719

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



.....

B J Waldron

Director

7/8/20

QUESTIONMARK COMPUTING LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	**12**		4,824,675		5,037,793
Tangible assets	**13**		-		46,228
Investments	**14**		153,333		153,333
			4,978,008		5,237,354
Current assets					
Debtors	**16**	5,688,104		4,273,579	
Cash at bank and in hand		979,655		720,144	
		6,667,759		4,993,723	
Creditors: amounts falling due within one year	**17**	(3,102,565)		(3,198,576)	
Net current assets			3,565,194		1,795,147
Total assets less current liabilities			8,543,202		7,032,501
Creditors: amounts falling due after more than one year	**18**		(1,790,116)		(51,158)
Provisions for liabilities	**20**		(351,048)		(633,576)
Net assets			6,402,038		6,347,767
Capital and reserves					
Called up share capital	**22**		250		246
Share premium account	**23**		4,783,518		4,781,966
Other reserves	**23**		10		10
Profit and loss reserves	**23**		1,618,260		1,565,545
Total equity			6,402,038		6,347,767

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £52,715 (2018: £680,005 loss).

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

.....

B J Waldron

Director

QUESTIONMARK COMPUTING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2018		246	4,781,966	10	(675,535)	4,106,687
Year ended 31 December 2018:						
Loss for the year		-	-	-	(2,449,451)	(2,449,451)
Other comprehensive income net of taxation:						
Currency translation differences		-	-	-	(324,517)	(324,517)
Total comprehensive income for the year		-	-	-	(2,773,968)	(2,773,968)
Balance at 31 December 2018		246	4,781,966	10	(3,449,503)	1,332,719
Year ended 31 December 2019:						
Loss for the year		-	-	-	(129,064)	(129,064)
Other comprehensive income net of taxation:						
Currency translation differences		-	-	-	179,828	179,828
Total comprehensive income for the year		-	-	-	50,764	50,764
Issue of share capital	22	4	1,552	-	-	1,556
Balance at 31 December 2019		250	4,783,518	10	(3,398,739)	1,385,039

QUESTIONMARK COMPUTING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 January 2018		246	4,781,966	10	2,245,550	7,027,772
Year ended 31 December 2018:						
Loss and total comprehensive income for the year		-	-	-	(680,005)	(680,005)
Balance at 31 December 2018		246	4,781,966	10	1,565,545	6,347,767
Year ended 31 December 2019:						
Profit and total comprehensive income for the year		-	-	-	52,715	52,715
Issue of share capital	**22**	4	1,552	-	-	1,556
Balance at 31 December 2019		250	4,783,518	10	1,618,260	6,402,038

QUESTIONMARK COMPUTING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash absorbed by operations	**24**		(700,699)		(1,621,326)
Interest paid			(198,738)		(4,789)
Income taxes (paid)/refunded			(3,139)		77,828
Net cash outflow from operating activities			(902,576)		(1,548,287)
Investing activities					
Purchase of intangible assets		(960,851)		(1,229,023)	
Purchase of tangible fixed assets		-		(93,639)	
Proceeds on disposal of tangible fixed assets		2,150		539,702	
Interest received		250		458	
Net cash used in investing activities			(958,451)		(782,502)
Financing activities					
Proceeds from issue of shares		1,556		-	
Proceeds of new bank loans		2,482,220		-	
Repayment of bank loans		(141,572)		(147,650)	
Net cash generated from/(used in) financing activities			2,342,204		(147,650)
Net increase/(decrease) in cash and cash equivalents			481,177		(2,478,439)
Cash and cash equivalents at beginning of year			800,581		3,254,969
Effect of foreign exchange rates			(9,092)		24,051
Cash and cash equivalents at end of year			1,272,666		800,581

1 Accounting policies

Company information

Questionmark Computing Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales.

The group consists of Questionmark Computing Limited and all of its subsidiaries.

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

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.

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures; and
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

Basis of consolidation

The consolidated financial statements incorporate those of Questionmark Computing Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1 **Accounting policies (Continued)**

Going concern

In light of the COVID-19 outbreak, the directors are considering appropriate measures to respond to the uncertain outlook and ensure that the group remains a going concern over the next 12 months. Whilst there can be no certainty due to the conditions across the world at present, the directors are confident in the future of the business based on action plans and forecasts. The directors therefore consider it appropriate for the financial statements to be prepared on the going concern basis. The financial statements do not include any adjustments that would result should the going concern basis of preparation not be appropriate. In the event that this basis is not appropriate, provisions may be required and assets may need to be written down to their recoverable amount.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and other sales taxes.

The group licenses software under licence agreements and provides services which include installation, consulting, training and product support. Licence fee revenues are generally recognised when a licence agreement has been delivered, there are no uncertainties surrounding product acceptance, there are no significant vendor obligations, the fees are fixed and determinable and collection is considered probable. Where licence fees are attributable to contracts extending over more than one period, revenue is taken based upon the stage of completion when the outcome of the contract can be foreseen with reasonable certainty and after allowing for costs to completion.

Revenues for training or consulting services are recognised as the services are performed. Revenues from support agreements are recognised rateably over the support period.

Revenues from software under service agreements is recognised rateably over the coverage period.

Research and development expenditure

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

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Software costs	5 years straight line
Development costs	5 - 7 years straight line
Trademarks	Fully amortised

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.

1 **Accounting policies (Continued)**

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:

Plant & machinery	20-25% reducing balance and from 15-33% straight line
Fixtures, fittings & equipment	25% reducing balance and from 10-20% 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

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities 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.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

Financial instruments

The group 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 when the group becomes party to the contractual provisions of the instrument.

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

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

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, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

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.

1 **Accounting policies (Continued)**

Taxation

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

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

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

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

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

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

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 as either accruals or prepayments.

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.

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.

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.

Capitalisation of development costs

Management make judgements regarding the proportion of time spent by engineers on capital projects, which impact on the amounts capitalised as additions to development costs held within intangible fixed assets. These judgements are based on project manager assessments.

3 Turnover and other revenue

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

	2019	2018
	£	£
Turnover analysed by class of business		
Turnover attributable to the group's principal activity	12,046,554	11,140,607

	2019	2018
	£	£
Other revenue		
Interest income	250	458

	2019	2018
	£	£
Turnover analysed by geographical market		
United Kingdom	1,605,695	1,847,767
Rest of Europe	3,680,673	2,759,927
Rest of the World	6,760,186	6,532,913
	12,046,554	11,140,607

4 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Management and administration	85	125	41	73

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	6,534,969	7,703,500	2,545,083	3,001,259
Social security costs	321,298	1,322,828	259,140	316,515
Pension costs	34,587	55,828	31,829	27,573
	6,890,854	9,082,156	2,836,052	3,345,347

Included within the staff costs above is £960,851 (2018: £1,229,023) of staff costs which has been capitalised as development costs and software costs within intangible fixed assets.

5 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	352,442	1,048,252
Company pension contributions to defined contribution schemes	2,455	4,214
Compensation for loss of office	95,289	-
Sums paid to third parties for directors' services	50,000	-
	500,186	1,052,466

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 2).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 1 (2018 - 1).

5 Directors' remuneration (Continued)

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

	2019	2018
	£	£
Remuneration for qualifying services	158,129	229,781
Company pension contributions to defined contribution schemes	-	2,901

No separate disclosure of key management remuneration is included as no other staff members are considered to be key management.

6 Share-based payment transactions

Group and company	Number of share options		Weighted average exercise price	
	2019	2018	2019	2018
	Number	Number	£	£
Outstanding at 1 January 2019	52,767	51,435	0.95	1.33
Granted	28,617	35,252	0.69	-
Forfeited	(10,735)	(33,920)	0.22	0.53
Exercised	(445)	-	3.51	-
Outstanding at 31 December 2019	70,204	52,767	0.94	0.95
Exercisable at 31 December 2019	19,797	14,311	2.26	3.51

The company has a share option scheme whereby employees are able to subscribe for ordinary shares in the company. The performance conditions of the share option scheme are based on continuous service and the options have a life of 10 years.

Under FRS 102, the company is required to apply a fair value based measurement method in accounting for share based payment transactions with employees and record compensation cost for all share awards granted. Share option grants and employee stock purchase plan purchases are accounted for under FRS 102. The company used a valuation model to estimate the value of the options. The fair value of each option grant is estimated on the date of grant.

No share-based payment expense has been recognised within the financial statements as the directors consider that an expense would be immaterial.

The terms and conditions of grants are as above, whereby all options are settled by physical delivery of shares.

7 Auditor's remuneration

Fees payable to the company's auditor and its associates:	2019 £	2018 £
For audit services		
Audit of the financial statements of the group and company	31,500	30,000
For other services		
Taxation compliance services	2,900	2,760
Other taxation services	-	2,400
All other non-audit services	3,780	3,600
	6,680	8,760

8 Operating loss

Operating loss for the year is stated after charging/(crediting):	2019 £	2018 £
Exchange gains	(38,717)	(241,636)
Depreciation of owned tangible fixed assets	19,298	46,772
Loss/(profit) on disposal of tangible fixed assets	26,207	(71,687)
Amortisation of intangible assets	1,173,969	1,133,961
Operating lease charges	317,963	257,475

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a gain of £38,717 (2018: a gain of £241,636).

9 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Other interest income	250	458

10 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank loans	198,738	4,789

11 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	(189,210)	-
Adjustments in respect of prior periods	(424,386)	(9,320)
Total current tax	(613,596)	(9,320)
Deferred tax		
Origination and reversal of timing differences	(282,528)	29,439
Total tax (credit)/charge	(896,124)	20,119

The UK main corporation tax rate was reduced from 20% to 19% from 1 April 2017 as announced in the Finance (No 2) Act 2015 on 26 October 2015. The UK main corporation tax rate will reduce to 17% from 1 April 2020, which was announced in the Finance Bill 2016 and was substantively enacted on 12 September 2016. The changes have been substantively enacted at the balance sheet date and are therefore recognised in these financial statements in the measurement of deferred tax assets and liabilities.

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

	2019	2018
	£	£
Loss before taxation	(1,025,188)	(2,429,332)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(194,786)	(461,573)
Tax effect of expenses that are not deductible in determining taxable profit	34,538	14,983
Adjustments in respect of prior years	(424,386)	(9,320)
Other permanent differences	(259)	(3,550)
Deferred tax not recognised	(216,706)	479,579
Enhanced R&D tax deduction	(112,223)	-
Deferred tax movement	17,698	-
Taxation (credit)/charge	(896,124)	20,119

All post 1 April 2017 losses have been surrendered for a research and development tax credit. In the prior year no deferred tax asset was recognised in respect of the UK tax losses totalling £1,323,562 due to uncertainty of future recovery. A deferred tax asset of £187,594 (2018: £187,594) has been recognised in respect of the remaining UK tax losses totalling £1,103,493 (2018: £1,103,494) which are expected to be recovered in future periods (see note 20).

No deferred tax asset has been recognised in respect of tax losses arising in overseas subsidiaries.

12 Intangible fixed assets

Group	Software costs	Development costs	Trademarks	Total
	£	£	£	£
Cost				
At 1 January 2019	307,837	7,354,421	742	7,663,000
Additions - internally developed	-	960,851	-	960,851
At 31 December 2019	307,837	8,315,272	742	8,623,851
Amortisation and impairment				
At 1 January 2019	92,350	2,532,115	742	2,625,207
Amortisation charged for the year	61,568	1,112,401	-	1,173,969
At 31 December 2019	153,918	3,644,516	742	3,799,176
Carrying amount				
At 31 December 2019	153,919	4,670,756	-	4,824,675
At 31 December 2018	215,487	4,822,306	-	5,037,793

Company	Software costs	Development costs	Trademarks	Total
	£	£	£	£
Cost				
At 1 January 2019	307,837	7,354,421	742	7,663,000
Additions - internally developed	-	960,851	-	960,851
At 31 December 2019	307,837	8,315,272	742	8,623,851
Amortisation and impairment				
At 1 January 2019	92,350	2,532,115	742	2,625,207
Amortisation charged for the year	61,568	1,112,401	-	1,173,969
At 31 December 2019	153,918	3,644,516	742	3,799,176
Carrying amount				
At 31 December 2019	153,919	4,670,756	-	4,824,675
At 31 December 2018	215,487	4,822,306	-	5,037,793

13 Tangible fixed assets

Group	Plant & machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2019	1,052,795	183,057	1,235,852
Disposals	-	(183,057)	(183,057)
Exchange adjustments	(18,453)	-	(18,453)
At 31 December 2019	1,034,342	-	1,034,342
Depreciation and impairment			
At 1 January 2019	1,051,333	136,829	1,188,162
Depreciation charged in the year	1,427	17,871	19,298
Eliminated in respect of disposals	-	(154,700)	(154,700)
Exchange adjustments	(18,418)	-	(18,418)
At 31 December 2019	1,034,342	-	1,034,342
Carrying amount			
At 31 December 2019	-	-	-
At 31 December 2018	1,462	46,228	47,690

Company	Plant & machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2019	466,678	183,057	649,735
Disposals	-	(183,057)	(183,057)
At 31 December 2019	466,678	-	466,678
Depreciation and impairment			
At 1 January 2019	466,678	136,829	603,507
Depreciation charged in the year	-	17,871	17,871
Eliminated in respect of disposals	-	(154,700)	(154,700)
At 31 December 2019	466,678	-	466,678
Carrying amount			
At 31 December 2019	-	-	-
At 31 December 2018	-	46,228	46,228

14 Fixed asset investments

	Notes	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Investments in subsidiaries	15	-	-	153,333	153,333

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2019 and 31 December 2019	153,333
Carrying amount	
At 31 December 2019	153,333
At 31 December 2018	153,333

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Questionmark Corporation	35 Nutmeg Drive, Suite 330, Trumbull, CT 06611, USA	Assessment Management Platform - Sales, Account Management, Hosting and Support	Ordinary	100.00	-
Questionmark GmbH	Hopfenstr. 8, 80335 Munich, Germany	As above	Ordinary	100.00	-

16 Debtors

Amounts falling due within one year:	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	2,363,449	1,929,764	1,677,004	1,099,290
Corporation tax recoverable	607,856	-	607,856	-
Amounts owed by group undertakings	-	-	3,242,261	3,046,901
Other debtors	89,370	11,947	74,820	4,821
Prepayments and accrued income	190,772	283,341	86,163	122,567
	3,251,447	2,225,052	5,688,104	4,273,579

17 Creditors: amounts falling due within one year

	Notes	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans and overdrafts	19	566,287	-	566,287	-
Trade creditors		158,568	712,196	32,008	394,662
Corporation tax payable		-	8,879	-	-
Other taxation and social security		398,284	343,212	178,614	336,883
Other creditors		45,739	-	-	-
Accruals and deferred income		4,645,288	4,999,694	2,325,656	2,467,031
		5,814,166	6,063,981	3,102,565	3,198,576

18 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans and overdrafts	19	1,774,361	-	1,774,361	-
Accruals and deferred income		24,174	80,840	15,755	51,158
		1,798,535	80,840	1,790,116	51,158

19 Borrowings

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	2,340,648	-	2,340,648	-
Payable within one year	566,287	-	566,287	-
Payable after one year	1,774,361	-	1,774,361	-

Interest was charged on the bank loan at 6.75% over the USD LIBOR rate, and the loan was secured by fixed charges over the group's assets.

20 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

Group	Liabilities 2019 £	Liabilities 2018 £
Fixed asset timing differences	539,089	821,511
Tax losses	(187,594)	(187,594)
Other timing differences	(447)	(341)
	351,048	633,576

Company	Liabilities 2019 £	Liabilities 2018 £
Fixed asset timing differences	539,089	821,511
Tax losses	(187,594)	(187,594)
Other timing differences	(447)	(341)
	351,048	633,576

Movements in the year:	Group 2019 £	Company 2019 £
Liability at 1 January 2019	633,576	633,576
Credit to profit or loss	(282,528)	(282,528)
Liability at 31 December 2019	351,048	351,048

The deferred tax asset set out above is expected to reverse after more than 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse after more than 12 months and relates to fixed asset timing differences that are expected to mature within the same period.

21 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	34,587	55,828

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.

22 Share capital

	Group and company	
	2019	2018
Ordinary share capital	£	£
Issued and fully paid		
133,179 A Ordinary shares of 0.1p each	133	133
4,450 B Ordinary shares of 0.1p each	4	-
5,890 C1 Ordinary shares of 0.1p each	6	6
1,473 C2 Ordinary shares of 0.1p each	1	1
8,662 D Ordinary shares of 0.1p each	9	9
	153	149
Preference share capital		
Issued and fully paid		
97,079 Preference shares of 0.1p each	97	97

23 Reserves

Share premium
Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

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

Other reserves
This is a capital redemption reserve which represents the nominal value of shares repurchased and still held at the end of the reporting period.

24 Cash generated from group operations

	2019	2018
	£	£
Loss for the year after tax	(129,064)	(2,449,451)
Adjustments for:		
Taxation (credited)/charged	(896,124)	20,119
Finance costs	198,738	4,789
Investment income	(250)	(458)
Loss/(gain) on disposal of tangible fixed assets	26,207	(71,687)
Amortisation and impairment of intangible assets	1,173,969	1,133,961
Depreciation and impairment of tangible fixed assets	19,298	46,772
Foreign exchange gains/(losses)	188,955	(349,139)
Cash generated from / (absorbed by) operations before net working capital movements	581,729	(1,665,094)
Movements in working capital:		
(Increase) in debtors	(418,539)	(381,927)
(Decrease)/increase in creditors	(863,889)	425,695
Cash absorbed by operations	(700,699)	(1,621,326)

25 Analysis of changes in net funds/(debt) - group

	1 January 2019	Cash flows	31 December 2019
	£	£	£
Cash at bank and in hand	800,581	472,085	1,272,666
Borrowings excluding overdrafts	-	(2,340,648)	(2,340,648)
	800,581	(1,868,563)	(1,067,982)

26 Operating lease commitments

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	139,450	239,871	110,516	177,877
Between one and five years	12,056	665,065	-	612,772
In over five years	-	99,030	-	99,030
	151,506	1,003,966	110,516	889,679

27 Events after the reporting date

The Group's business operations have been affected by the COVID-19 pandemic. Management are constantly reviewing the situation and the measures taken to mitigate risk and uncertainty. The impact of COVID-19 represents a non-adjusting post balance sheet event, and consequently there has been no impact on the balance sheet carrying values at 31 December 2019. There have been no other significant events affecting the Group since the year end.

28 Related party transactions

Transactions with related parties

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

	Directors fees paid		Consultancy fees paid	
	2019	2018	2019	2018
	£	£	£	£
Group				
Entities with control, joint control or significant influence over the company	199,466	50,000	-	-
Other related parties	-	-	62,999	26,250

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2019	2018
	£	£
Group		
Entities with control, joint control or significant influence over the group	-	145,183
Other related parties	-	19,688

28 Related party transactions (Continued)

Other related parties represent entities under common control.

Included within accruals are costs of £nil (2018: £137,256) paid on behalf of the business by the ultimate controlling party.

During 2018 the company sold its leasehold property to a related party for proceeds of £540,000, which the directors consider represented the fair value of the property at that time. The company subsequently entered into an operating lease back arrangement with the same related party for annual rent of £23,863 (2018: £22,100) for a two year period.

29 Controlling party

The company is controlled by J Kleeman, E R Shepherd and FPE Capital LLP who jointly control the majority of the issued share capital.