

Fundraising Innovations Limited

Annual Report and Financial Statements

Year Ended

31 March 2020

Company Number 04426857



Fundraising Innovations Limited

Company Information

Directors	P F Callander J L Harris
Registered number	04426857
Registered office	The Cart Wagon Lodge Friday Street Farm East Sutton Maidstone Kent ME17 3DD
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Fundraising Innovations Limited

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Fundraising Innovations Limited

Strategic Report For the Year Ended 31 March 2020

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2020.

Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Business model

The business switches customers in the domestic energy market. Customers switching are either directed to our own web sites, or via our Partner sites. Customers complete the switch on our own websites that link into energy suppliers systems. The energy supplier pays Fundraising Innovations a finder's fee for the customer and part of that payment is paid to partners, which covers their costs.

The section of the business dealing with switches in the Business Energy market was discontinued in October 2018 to focus on the domestic energy offering and was subsequently sold on 11 April 2019.

Business Trends

During the financial year, Fundraising Innovations has seen a small decrease in customers switching, driven by the price cap and less increases from the major suppliers. We have seen an increase in sales coming from our largest partner, who has committed to make energy switching a core component of their offering. We fully expect this growth to continue into the future.

Business risks and opportunities

The merger to create Comparison Technologies Limited in 2019 provides a number of growth opportunities including, but not limited to, the ability to deepen relationships with Brand Partners and suppliers, as well as cross-sell into consumers. Additionally, the anticipated increase in consumer traffic will enable the business to gather larger amounts of market data which can be sold onto suppliers as part of the data insight offering. These opportunities have been partially realised and remain.

It is important that the company is able to offer the full range of available energy tariffs to as many customers as possible in order to maintain its share of the energy switching market. The year has seen a number of new entrants to the energy markets and inclusion of these new tariffs on the price comparison is essential in order to maintain market share. However, payment terms of these tariffs are not advantageous and there are risks associated with the financial stability of new market entrants. These risks are being carefully managed to reduce exposure to the company.

Consumer interest in switching energy supplier is both seasonal and price change driven, however, with the increased political and media interest in energy costs, demand remains strong. Ofgem's price cap has altered the switching market as well as direct to supplier switches. Fundraising innovations continued investment in new technological and communication equipment means that the company is able to take full advantage of rapid increases in demand and changing market landscape. Also, the company's strategy of developing its Internet, inbound voice and outbound voice channels allows the stimulation of demand during periods of low consumer interest. Our objectives are to have the highest quality call centres - dealing with our own and partners' customers, the highest quality supplier management and partner management.

Fundraising Innovations Limited

Strategic Report (continued) For the Year Ended 31 March 2020

Key performance indicators

It is the company's objective to manage its financial risks so as to minimise any adverse fluctuations and maximise cash flow whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

We consider the key financial performance indicators of the company to be turnover and the gross profit margin. Turnover on our core business has decreased by 3.4% on the previous financial year. The overall gross profit margin has moved to 17.3% for 2020 compared with 21.44% in 2019.

Liquidity

The company continues to tightly manage its cash flows and as a consequence the company had cash of £5,326,051 at 31 March 2020 (2019 - £3,521,854). The company's principal foreign exchange exposure arises from services purchased overseas.

Financial position

The financial position remains in line with the directors' expectations. Net assets have decreased from £5,160,524 as at 31 March 2019 to £4,433,881 as at 31 March 2020. The turnover of the company has decreased from £39,882,091 in 2019 to £38,527,518 in 2020. This represents an decrease of 3.4%. Profit before tax are reported for the year ended 31 March 2020 at £243,551 (2019 - losses £97,814).

Going concern

The company is part of a wider group finance arrangement, therefore the going concern of the group will have a material effect on the company. The ultimate parent company of the group is Project Flame Topco Limited, therefore the consolidated position of Project Flame Topco Limited ("the group") has also been considered. The directors are, based on detailed financial projections, of the opinion that the group and company has adequate working capital to continue as a going concern for the foreseeable future and, in particular, for a period of at least 12 months from the date of approval of these financial statements. On this basis, the directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. Further details are included within note 2 to the financial statements.

However, the ability of the company and group to achieve the future profit and cash flow projections cannot be predicted with certainty. Additionally, the potential impact of the COVID-19 global pandemic on the markets in which the group operates is uncertain. Failure of the company and the group to meet these projections may adversely impact the achievability of the group's bank loan covenants which may result in the bank loan being required to be repaid before the maturity date if the leverage and interest cover covenants are not met and cannot be renegotiated. This would adversely impact the company and the group's working capital position and would require the company to raise additional funding, with no guarantee such funding would be secured.

This report was approved by the board on 16. 12. 2020 and signed on its behalf.



P F Callander
Director

Fundraising Innovations Limited

Directors' Report For the Year Ended 31 March 2020

The directors present their report together with the audited financial statements for the year ended 31 March 2020.

Principal activity

The principal activity of the company continued to be that of providing an energy price comparison service for domestic customers through its websites and call centres.

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 1 to 2 of these financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £255,969 (2019 - loss £91,737).

The directors recommended a dividend paid of £982,612 during the year (2019 - £Nil).

Directors

The directors who served during the year were:

P F Callander
J L Harris (appointed 4 November 2019)
A H Baloch (resigned 14 June 2019)
P A Green (resigned 23 July 2019)
J Manek (resigned 7 January 2020)
M Todd (resigned 31 March 2020)

Future developments

Investment in innovation - Innovation is important to the future success of the company. The company's expenditure is predominantly associated with computer and internet software systems. Successfully developed software is used to develop new services and to improve and extend the functionality and scope of the company's internet and voice operations.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

The Covid-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. Whilst the impact of the pandemic, and various Governments' responses to it remains uncertain, the business is monitoring both the risks and opportunities that are presented by the disruption. Risks are currently being mitigated and opportunities are being identified and targeted, and therefore the directors do not consider that there is a material impact on the company.

Fundraising Innovations Limited

Directors' Report (continued) For the Year Ended 31 March 2020

Auditor

The auditor, BDO LLP, who was appointed in the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16.12.2020 and signed on its behalf.



P F Callander
Director

Fundraising Innovations Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2020

The directors are responsible for preparing the strategic report, 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 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.

Fundraising Innovations Limited

Independent Auditor's Report to the Members of Fundraising Innovations Limited

Opinion

We have audited the financial statements of Fundraising Innovations Limited ("the company") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the 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 Financial Reporting Standard 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 company's affairs as at 31 March 2020 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 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 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.

Material uncertainty related to going concern

We draw attention to the strategic report and note 2.4 to the financial statements, which indicates that the ability of the company to continue as a going concern is reliant on the continued availability of the group's bank loan, the terms of which require compliance with certain covenants. Failure to achieve revenue and cash flow projections may adversely impact the achievability of the bank loan covenants which could result in the bank calling on the loan. This would require the company, being a guarantor to the agreement, to raise additional funding, with no guarantee such funding would be secured.

As stated in the strategic report and note 2.4, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Fundraising Innovations Limited

Independent Auditor's Report to the Members of Fundraising Innovations Limited (continued)

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 the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 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, 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.

Fundraising Innovations Limited

Independent Auditor's Report to the Members of Fundraising Innovations Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibility 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julian Frost (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

16 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Fundraising Innovations Limited

Statement of Comprehensive Income For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	38,527,518	39,882,091
Cost of sales		(31,860,631)	(31,329,872)
Gross profit		6,666,887	8,552,219
Administrative expenses		(6,491,568)	(8,708,005)
Operating profit/(loss)	5	175,319	(155,786)
Interest receivable and similar income	8	68,232	57,972
Profit/(loss) before tax		243,551	(97,814)
Tax on profit/(loss)	9	12,418	6,077
Profit/(loss) and total comprehensive income/(loss) for the year		255,969	(91,737)

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 12 to 28 form part of these financial statements.

Fundraising Innovations Limited
Registered number:04426857

Balance Sheet
As at 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	11		1,924,768		1,021,596
Tangible assets	12		495,167		549,863
Investments	13		106,057		106,057
			2,525,992		1,677,516
Current assets					
Debtors: amounts falling due within one year	14	19,520,497		13,096,858	
Cash at bank and in hand		5,326,051		3,521,854	
		24,846,548		16,618,712	
Creditors: amounts falling due within one year	15	(22,938,659)		(13,135,704)	
Net current assets			1,907,889		3,483,008
Net assets			4,433,881		5,160,524
Capital and reserves					
Called up share capital	17		15,790		15,790
Share premium account	18		38,757		38,757
Profit and loss account	18		4,379,334		5,105,977
Total equity			4,433,881		5,160,524

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



P F Callander
Director

The notes on pages 12 to 28 form part of these financial statements.

Date: 16 December 2020

Fundraising Innovations Limited

Statement of Changes In Equity For the Year Ended 31 March 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2019	15,790	38,757	5,105,977	5,160,524
Comprehensive income for the year				
Profit for the year	-	-	255,969	255,969
Total comprehensive income for the year	-	-	255,969	255,969
Contributions by and distributions to owners				
Dividends paid	-	-	(982,612)	(982,612)
Total transactions with owners	-	-	(982,612)	(982,612)
At 31 March 2020	15,790	38,757	4,379,334	4,433,881

Statement of Changes in Equity For the Year Ended 31 March 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2018	15,790	38,757	5,197,714	5,252,261
Comprehensive income for the year				
Loss for the year	-	-	(91,737)	(91,737)
Total comprehensive income for the year	-	-	(91,737)	(91,737)
At 31 March 2019	15,790	38,757	5,105,977	5,160,524

The notes on pages 12 to 28 form part of these financial statements.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

1. General information

Fundraising Innovations Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated accounts

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Fundraising Innovations Limited is a wholly owned subsidiary of Comparison Technologies Limited and the results of Fundraising Innovations Limited are included in the consolidated financial statements of Comparison Technologies Limited which are available from The Cart Wagon Lodge, Friday Street Farm, East Sutton, Kent ME17 3DD.

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Comparison Technologies Limited as at 31 March 2020 and these financial statements may be obtained from The Cart Wagon Lodge, Friday Street Farm, East Sutton, Kent ME17 3DD.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis. The directors have prepared detailed income statement, balance sheet and cash flow projections for the period to 31 December 2021. The cash flow projections have been subjected to sensitivity analysis at the revenue, cost and combined revenue and cost levels. The cash flow projections show that the company will maintain a positive cash balance until at least December 2021. In addition, the company is a guarantor to the wider group financing arrangement with the ultimate parent company of the group being Project Flame Topco Limited. The group projections confirm that the bank loan covenants will be met for a period of at least 12 months from the date of approval of these financial statements. On this basis, the directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

As a result of Covid-19 and Governments' responses there is currently disruption to the wider markets in which the group and company operate. In addition to the usual going concern forecasting process, the directors have assessed additional downside scenario models. The hypothetical scenarios used are downside scenarios representing a material underperformance of the group and company and have been stress tested with extreme assumptions. These scenarios include:

- Further UK wide 'lock downs' affecting installation of telecoms products
- Temporary closure of call centre's in the UK, India and South Africa
- Impact on new business
- Impact of rising unemployment resulting in reduction in discretionary spending

If one or a combination of these scenarios were to occur, it may adversely impact the achievability of the bank loan covenants which may result in the bank loan being required to be repaid before the maturity date if the leverage and interest cover covenants are not met and cannot be renegotiated. This would adversely impact the company and the group's working capital position and would require the company to raise additional funding, with no guarantee such funding would be secured.

These circumstances indicate a material uncertainty that may cast significant doubt on the group and company's ability to continue as a going concern for the foreseeable future. The directors do not believe that the downside assumptions are realistic outcomes, but if they do occur the directors have identified significant mitigating actions to maintain the group and company as a going concern. The directors are confident, based on the forecast assumptions and information available at the present time, that the group and company will achieve the forecasts, but they consider if it becomes necessary that the covenants could be renegotiated or further funds raised, and have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.5 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

The company generates fees from internet lead generation and telesales through a variety of contractual arrangements. The company's policy is to recognise turnover and its associated costs in the period that the lead was generated.

2.7 Operating leases: the company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Research and development

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.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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.

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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:

Computer Software	-	25 - 33.33% straight line/over the term of the licence
Website & development costs	-	33.33% straight line basis

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

Depreciation is provided on the following basis:

Leasehold improvements	- Over term of the lease
Motor vehicles	- 20% reducing balance
Fixtures, fittings & equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Impairment of fixed assets

At each reporting period end date, the company 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 there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies 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 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.

- Energy sales to consumers

Fundraising Innovations generates income once a customer has completed an energy switch to a supplier. It can take up to 6 months for a switch to be completed and confirmation to be received from the energy suppliers. Therefore this revenue needs to be estimated in the financial statements as some of the income will not be finalised at the time of signing the accounts. The predicted revenue has been calculated by taking the number of domestic energy fuels initiated before the year end, multiplied by the contracted revenue per fuel. A conversion rate is then applied to this revenue figure to take account of any expected cancellations. These conversion rates have been determined by actual results from April 2019 - November 2019 and is applied by the source of sale; both partner and channel and also factoring in the relevant energy supplier. These conversion rates have also been applied to the cost of sales of the pending fuels; multiplying this by the number of fuels initiated before year end and the contracted cost per partner fuel.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sales	38,527,518	39,882,091

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2020 £	2019 £
Exchange differences	27,726	37,328
Fees payable to the company's auditor for the audit of the company's financial statements	26,875	35,000
Depreciation of owned tangible fixed assets	163,391	126,535
Loss on disposal of tangible fixed assets	-	181
Amortisation of intangible assets	929,765	685,188
Other operating lease rentals	242,152	278,065

Transaction costs amounting to £Nil (2019 - £1,282,010) were incurred in relation to the acquisition of the company by Comparison Technologies Limited in the year ended 31 March 2020.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	4,443,855	4,804,499
Social security costs	224,526	469,015
Cost of defined contribution scheme	66,211	108,446
	<u>4,734,592</u>	<u>5,381,960</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Employees	-	5
Non sales staff	-	48
Call centre staff	145	109
	<u>145</u>	<u>162</u>

7. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	634,256	1,050,902
Company contributions to defined contribution pension schemes	20,965	32,378
	<u>655,221</u>	<u>1,083,280</u>

During the year retirement benefits were accruing to 6 directors (2019 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £162,114 (2019 - £800,243).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,012 (2019 - £24,007).

In the current year, the directors are not remunerated by this company.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

8. Interest receivable

	2020 £	2019 £
Interest receivable from group companies	63,516	57,096
Interest on bank deposits	4,716	876
	<u>68,232</u>	<u>57,972</u>

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	83,170	-
Adjustments in respect of previous periods	(18,512)	(141)
Total current tax	<u>64,658</u>	<u>(141)</u>
Deferred tax		
Origination and reversal of timing differences	10,696	(5,936)
Adjustments in respect of prior periods	(75,013)	-
Effect of tax rate change on opening balance	(12,759)	-
Total deferred tax	<u>(77,076)</u>	<u>(5,936)</u>
Taxation on profit/(loss) on ordinary activities	<u>(12,418)</u>	<u>(6,077)</u>

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	243,551	(97,814)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	46,275	(18,585)
Effects of:		
Fixed asset differences	40,528	7,907
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,740	84,793
Research and development tax credit	-	(25,761)
Higher rate taxes on overseas earnings	-	(141)
Other tax adjustments	(677)	(1,468)
Adjustments in respect of prior periods	(93,525)	-
Group relief	-	(52,822)
Tax rate adjustments	(12,759)	-
Total tax credit for the year	(12,418)	(6,077)

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

10. Dividends

	2020 £	2019 £
Interim dividend	982,612	-

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

11. Intangible assets

	Website & development costs £	Computer software £	Goodwill £	Total £
Cost				
At 1 April 2019	3,426,403	96,979	44,253	3,567,635
Additions	1,702,471	130,466	-	1,832,937
At 31 March 2020	<u>5,128,874</u>	<u>227,445</u>	<u>44,253</u>	<u>5,400,572</u>
Amortisation				
At 1 April 2019	2,430,225	79,083	36,731	2,546,039
Charge for the year	803,871	118,372	7,522	929,765
At 31 March 2020	<u>3,234,096</u>	<u>197,455</u>	<u>44,253</u>	<u>3,475,804</u>
Net book value				
At 31 March 2020	<u>1,894,778</u>	<u>29,990</u>	<u>-</u>	<u>1,924,768</u>
At 31 March 2019	<u>996,178</u>	<u>17,896</u>	<u>7,522</u>	<u>1,021,596</u>

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

12. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 1 April 2019	551,703	11,395	305,967	869,065
Additions	13,759	-	94,936	108,695
At 31 March 2020	565,462	11,395	400,903	977,760
Depreciation				
At 1 April 2019	167,084	4,305	147,813	319,202
Charge for the year	92,281	1,418	69,692	163,391
At 31 March 2020	259,365	5,723	217,505	482,593
Net book value				
At 31 March 2020	306,097	5,672	183,398	495,167
At 31 March 2019	384,619	7,090	158,154	549,863

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

13. Fixed asset investments

Investments
in
subsidiary
companies
£

Cost or valuation

At 1 April 2019 and at 31 March 2020

106,057

Name	Class of shares	Holding	Principal activity
Energyhelpline Business Limited	Ordinary	100%	Dormant
First Helpline Limited	Ordinary	100%	Dormant
Money Helpline Limited	Ordinary	100%	Dormant
Save by Switching Limited	Ordinary	100%	Dormant
SaveBySwitching Global Solutions Private Limited*	Ordinary	100%	Service company
Switch and Give Limited	Ordinary	100%	Dormant
Switch and Save Limited	Ordinary	100%	Dormant
The Energy Helpline Limited	Ordinary	100%	Dormant

The registered office address of the above subsidiaries is The Cart Wagon Lodge, Friday Street Farm, East Sutton, Kent, ME17 3DD.

*The registered office address of the above subsidiary is Karle Premium, 3rd Floor, 134, Leela Palace Road, 6th Cross, HAL 2nd stage, Kodihalli, Bangalore, 560017, Karnataka, India.

14. Debtors

	2020 £	2019 £
Trade debtors	3,632,382	3,149,668
Amounts owed by group undertakings	8,187,762	2,558,372
Other debtors	12,721	14,643
Prepayments and accrued income	7,577,118	7,177,471
Tax recoverable	-	163,266
Deferred taxation	110,514	33,438
	19,520,497	13,096,858

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

15. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	879,207	4,199,434
Amounts owed to group undertakings	7,933,533	966,804
Tax payable	7,691	-
Other taxation and social security	1,048,982	597,396
Other creditors	76,221	46,001
Accruals and deferred income	12,993,025	7,326,069
	<u>22,938,659</u>	<u>13,135,704</u>

16. Deferred taxation

	2020 £
At beginning of year	33,438
Credited to profit or loss	77,076
At end of year	<u>110,514</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	105,717	29,032
Short term timing differences	4,797	4,406
	<u>110,514</u>	<u>33,438</u>

17. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
15,790 ordinary shares of £1 each	<u>15,790</u>	<u>15,790</u>

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

18. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19. Financial commitments, guarantees and contingent liabilities

The company is disputing charges made by an advisor related to the reorganisation transaction, the amount at issue for this company being approximately £680,000 (2019 - £499,000). The directors are confident in their position and consider that no further amounts will be payable.

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £66,210 (2019 - £84,825). Contributions totalling £25,249 (2019 - £22,031) were payable to the fund at the reporting date and are included in creditors.

21. Commitments under operating leases

At 31 March 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	168,300	70,274
Later than 1 year and not later than 5 years	56,100	-
	<u>224,400</u>	<u>70,274</u>

22. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Fundraising Innovations Limited

Notes to the Financial Statements For the Year Ended 31 March 2020

23. Post balance sheet events

The Covid-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. Whilst the impact of the pandemic, and various Governments' responses to it remains uncertain, the business is monitoring both the risks and opportunities that are presented by the disruption. Risks are currently being mitigated and opportunities are being identified and targeted, and therefore the directors do not consider that there is a material impact on the company.

24. Ultimate parent and controlling party

The parent company is Comparison Technologies Limited, a company incorporated in England and Wales.

The intermediate parent undertaking that prepares group financial statements into which the company's accounts are consolidated is Comparison Technologies Limited, a company incorporated in England and Wales.

The largest group that prepares group financial statements into which the company's accounts are consolidated is Project Flame Topco Limited, a company also incorporated in England and Wales.

The group financial statements of both Comparison Technologies Limited and Project Flame Topco Limited can be obtained from The Cart Wagon Lodge, Friday Street Farm, East Sutton, Kent, ME17 3DD.

The company's ultimate controlling party is Inflexion Private Equity Partners LLP.