

JDX Consulting Limited

Annual Report and Financial Statements

Year Ended

31 March 2020

Company Number 07187465

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JDX Consulting Limited

Company Information

Directors	J P Davies M P Williams S Smith
Registered number	07187465
Registered office	70 Gracechurch Street 7th Floor London EC3V 0XL
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

JDX Consulting Limited

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JDX Consulting Limited

Strategic Report for the Year Ended 31 March 2020

Introduction

In 2019/20, JDX has continued to grow in revenues, numbers of deployed staff and business reach.

JDX delivers solutions to global clients primarily in the area of regulatory change and remediation and is expanding its reach developing consulting offerings and other business management services. This investment was primarily in relation to subject-matter experts and sales and management personnel and in our international operations.

JDX is a global consulting company set up to support financial services clients deliver business as usual, regulatory change and remediation projects. The company has a unique approach to provide suitably trained consultants to deliver large scale projects without the usual high costs associated with this type of support. JDX supports delivery teams with in house subject matter experts, all overseen by Managing Directors and members of the Senior Management Team with substantial relevant industry experience.

Principal risks and uncertainties

The market in which the company operates is highly competitive. The company's strategy is focussed on success in this environment by providing its clients with world-class services.

People risk

To provide this advice the company needs economists of the highest quality. For this reason the company places considerable emphasis on recruitment, training and retention of staff at all levels.

Price risk

To ensure the company remains competitive and to pick up any price sensitivities, fee rates achieved are analysed on a monthly basis across all disciplines and sectors. In addition, fee rates are reviewed and updated annually for all economists at an individual level.

Liquidity risk

The company monitors cash flow as part of its day to day control procedures. The Finance Director considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to be drawn upon as necessary. The company has an existing revolving credit facility with its bank, which is utilised as required. The company also has an invoice discounting facility which is used in conjunction with the revolving credit facility and together offer the necessary liquidity.

Credit risk

There has been no slowdown in cash receipts (or revenue), despite the ongoing COVID-19 pandemic. Debtors are monitored by the executive directors and the risk is not considered to be significant at the balance sheet date.

Foreign exchange risk

The Finance Director monitors exposure to foreign currencies.

Principal risks and uncertainties (continued)

BREXIT risk

The precise nature of any impact of the UK leaving the EU is unclear. It is the Board's expectation that JDX will not be adversely impacted by these changes in the short to medium term, as it will benefit from the increased workload impacting London-based businesses as they adjust to the consequences of the UK's exit from the EU. In addition, JDX will continue to focus on geographic diversification during 2019/20, by investing in the growth of existing overseas offices in the United States and Asia and in EU locations (Ireland). We have also discussed the matter with our key clients and reviewed the risk of potential key personnel movement.

JDX Consulting Limited

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

Financial key performance indicators

Company turnover was £29.3m and £32.0m in the prior year.

Gross profit was £11.4m for the year compared to £13.5m in the previous year. Margins were lower compared to previous given investment in developing service line offerings

Operating profit for the year was £0.1m compared to £2.9m in the prior year and is mainly a result of investing in future growth.

Operating profit included £0.4m of extraordinary costs relating to the private equity transaction and other debt restructuring.

Going concern

The Directors aided by improvements to implemented platforms have been monitoring the revenue and trade debtor KPIs closely over recent months, alongside the cashflow forecast, and are pleased to report that there has been no material impact on revenue or cash collection caused by the COVID-19 pandemic.

For both the company, and the Group trading this year has held up well and the order book has increased including length of contracts and operating income has also improved versus last year, providing additional comfort on the strength of the trading position. The future revenue pipeline also remains positive, with revenue growth expected across the next financial year. In the event of any additionally prolonged period of lower revenue, either relative to the trading year to 31 March 2020 or at this years' level, the Directors would take mitigating action, such as reducing overheads. By design, the company has a naturally very resilient business model, which would be able to withstand periods of revenue below current trading levels.

The directors have been monitoring the revenue and trade debtor KPIs closely over recent months, alongside the cashflow forecast, and are pleased to report that there has been no material impact on revenue or cash collection caused by the COVID-19 pandemic. The future revenue pipeline also remains positive, with revenue growth expected across the next financial year.

The Directors of the Company note that the Company is dependent for its working capital on funds provided by the ultimate parent company, JDX Holdings Limited.

The Directors have had discussions with the ultimate parent company to understand the level of support available to the Company, with no issues noted.

Most importantly, the employees of the company have adapted positively to working from home and the company's ability to deliver the high-quality work expected by our clients has also been unaffected. Given the continued high demand from clients, the company has continued to successfully recruit into key areas of the business.

The company through its ultimate parent company JDX Holdings Limited has an existing invoice discounting agreement with its bank, which is utilised when required. This is currently only in part drawn down. The directors note that due to the impact of Covid-19 the company breached a covenant in relation to the facility with regards to interest cover – the lender has been supportive throughout the financial year and future periods, with a waiver granted in October 2020. Since this point, the Group continues to trade profitability and has met (and is forecast to meet) all future covenants.

On this basis, the directors have a reasonable expectation that the company will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval date of these financial statements. Accordingly, the company continues to adopt the going concern basis in preparing its financial statements.

JDX Consulting Limited

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

Subsequent events

On 14 September 2020 it was announced that Seamus Smith was appointed as CEO and Director.

The Board is working to close the Group's dormant subsidiary in France and Switzerland.

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



.....
M P Williams
Director

Date: 21 December 2020

JDX Consulting Limited

Directors' Report for the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £429,913 (2019 - profit £1,871,563).

The directors do not recommend the payment of a dividend (2019 - £Nil).

Directors

The directors who served during the year were:

J P Davies
G E Hannah (resigned 28 February 2020)
N M Pomery (resigned 26 July 2019)
S M Rees-Goddard (resigned 27 September 2019)
M P Williams (appointed 27 June 2019)
S Smith (appointed 30 September 2020)

JDX Consulting Limited

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

Employee involvement

Consultation with employees or their representatives has continued to all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units.

Disabled employees receive appropriate training to promote their career development within the group. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 - 3. These matters relate to future developments, financial risk management and subsequent events.

Disclosure of information to auditor

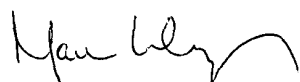
Each of the persons who are directors at the time when this directors' report is approved have confirmed that:

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

Auditor

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

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



.....
M P Williams
Director

Date: 21 December 2020

JDX Consulting Limited

Independent Auditor's Report to the Members of JDX Consulting Limited

Opinion

We have audited the financial statements of JDX Consulting Limited (the 'company') for the year ended 31 March 2020, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 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 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

JDX Consulting Limited

Independent Auditor's Report to the Members of JDX Consulting Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

Opinion 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

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

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

JDX Consulting Limited

Independent Auditor's Report to the Members of JDX Consulting Limited (continued)

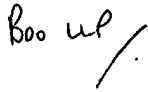
Auditor's responsibilities for the audit of the financial statements

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: <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 for our audit work, for this report, or for the opinions we have formed.



Tim Neathercoat (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 22 December 2020

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

JDX Consulting Limited

Statement of Comprehensive Income for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	29,326,416	31,976,041
Cost of sales		(17,948,116)	(18,495,411)
Gross profit		11,378,300	13,480,630
Administrative expenses		(10,839,662)	(10,024,942)
Exceptional administrative expenses	5,6	(436,030)	(536,076)
Operating profit	5	102,608	2,919,612
Interest receivable and similar income	10	71,450	-
Interest payable and similar charges	11	(209,641)	(312,148)
(Loss)/profit before tax		(35,583)	2,607,464
Tax on (loss)/profit	12	(394,330)	(735,901)
(Loss)/profit for the year		(429,913)	1,871,563

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

The notes on pages 12 to 29 form part of these financial statements.

JDX Consulting Limited

Registered number: 07187465

Statement of Financial Position as at 31 March 2020

	Note	2020 £	2019 £
Non-current assets			
Intangible assets	13	3,773,970	4,140,030
Tangible assets	14	645,807	856,133
Investments	15	812,560	812,559
Debtors: amounts falling due after one year	16	6,420,056	515,086
		<u>11,652,393</u>	<u>6,323,808</u>
Current assets			
Debtors	16	6,871,471	11,167,319
Cash at bank and in hand		1,236,070	404,210
		<u>8,107,541</u>	<u>11,571,529</u>
Creditors: amounts falling due within one year	17	(14,270,391)	(11,968,512)
Net current liabilities		<u>(6,162,850)</u>	<u>(396,983)</u>
Deferred tax	19	(26,930)	(34,299)
Other provisions	20	(150,000)	(150,000)
Net assets		<u>5,312,613</u>	<u>5,742,526</u>
Capital and reserves			
Share capital	21	100	100
Profit and loss account	22	5,312,513	5,742,426
		<u>5,312,613</u>	<u>5,742,526</u>

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



.....
M P Williams
Director

Date: 21 December 2020

The notes on pages 12 to 29 form part of these financial statements.

JDX Consulting Limited

Statement of Changes in Equity for the Year Ended 31 March 2020

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2019	100	5,742,426	5,742,526
Loss for the year	-	(429,913)	(429,913)
At 31 March 2020	100	5,312,513	5,312,613

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

	Share capital £	Profit and loss account £	Total equity £
At 1 April 2018	100	3,870,863	3,870,963
Profit for the year	-	1,871,563	1,871,563
At 31 March 2019	100	5,742,426	5,742,526

The notes on pages 12 to 29 form part of these financial statements.

JDX Consulting Limited

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

1. General information

JDX Consulting Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page.

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 following principal accounting policies have been applied:

2.2 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 JDX Holdings Limited as at 31 March 2020 and these financial statements may be obtained from Companies House.

JDX Consulting Limited

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

2. Accounting policies (continued)

2.3 Going concern

The Directors aided by improvements to implemented platforms have been monitoring the revenue and trade debtor KPIs closely over recent months, alongside the cashflow forecast, and are pleased to report that there has been no material impact on revenue or cash collection caused by the COVID-19 pandemic.

For both the company, and the Group trading this year has held up well and the order book has increased including length of contracts and operating income has also improved versus last year, providing additional comfort on the strength of the trading position. The future revenue pipeline also remains positive, with revenue growth expected across the next financial year. In the event of any additionally prolonged period of lower revenue, either relative to the trading year to 31 March 2020 or at this years' level, the Directors would take mitigating action, such as reducing overheads. By design, the company has a naturally very resilient business model, which would be able to withstand periods of revenue below current trading levels.

The directors have been monitoring the revenue and trade debtor KPIs closely over recent months, alongside the cashflow forecast, and are pleased to report that there has been no material impact on revenue or cash collection caused by the COVID-19 pandemic. The future revenue pipeline also remains positive, with revenue growth expected across the next financial year.

The Directors of the Company note that the Company is dependent for its working capital on funds provided by the ultimate parent company, JDX Holdings Limited.

The Directors have had discussions with the ultimate parent company to understand the level of support available to the Company, with no issues noted.

Most importantly, the employees of the company have adapted positively to working from home and the company's ability to deliver the high-quality work expected by our clients has also been unaffected. Given the continued high demand from clients, the company has continued to successfully recruit into key areas of the business.

The company through its ultimate parent company JDX Holdings Limited has an existing invoice discounting agreement with its bank, which is utilised when required. This is currently only in part drawn down. The directors note that due to the impact of Covid-19 the company breached a covenant in relation to the facility with regards to interest cover – the lender has been supportive throughout the financial year and future periods, with a waiver granted in October 2020. Since this point, the Group continues to trade profitability and has met (and is forecast to meet) all future covenants.

On this basis, the directors have a reasonable expectation that the company will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval date of these financial statements. Accordingly, the company continues to adopt the going concern basis in preparing its financial statements.

JDX Consulting Limited

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

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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 which is considered to be five years.

Other intangible assets

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

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Amortisation is provided on the following bases:

Systems development	-	33 % Straight line
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The assets' residual values, useful lives and amortisation 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 the consolidated statement of comprehensive income.

JDX Consulting Limited

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

2. Accounting policies (continued)

2.6 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 20% straight line
Furniture & office equipment	- 50% straight line
Computer equipment	- 50% 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 the statement of comprehensive income.

2.7 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 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.

JDX Consulting Limited

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

2. Accounting policies (continued)

2.11 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.

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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 the statement of comprehensive income.

2.13 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.14 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 the statement of comprehensive income when they fall due. Amounts not paid are shown in other creditors as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.16 Interest income

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

JDX Consulting Limited

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

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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 reporting 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 reporting 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 reporting date.

2.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

Impairment of trade receivables

- To determine whether there is objective evidence of impairment of trade receivables. In assessing whether an impairment is required, the directors have analysed historic aged debt and outstanding amounts. This analysis is then used by the directors when judging whether an impairment is required.

Amortisation of goodwill

- The group establishes a reliable estimate of the useful life of goodwill arising on business combinations and this has been determined as 5 years. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar business.

JDX Consulting Limited

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

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	27,876,421	31,604,043
Rest of Europe	-	8,580
Rest of the world	1,449,995	363,418
	<u>29,326,416</u>	<u>31,976,041</u>

5. Operating profit

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

	2020 £	2019 £
Depreciation of owned tangible fixed assets	301,475	260,607
Amortisation of goodwill	1,035,008	1,035,008
Exchange differences	(342,589)	(186,893)
Operating lease rentals	867,228	751,571
Exceptional administrative expenses	436,030	536,076
	<u>436,030</u>	<u>536,076</u>

6. Exceptional items

	2020 £	2019 £
Exceptional administrative expenses	436,030	536,076
	<u>436,030</u>	<u>536,076</u>

Exceptional costs consist primarily of costs arising in relation to debt restructuring and restructuring of operations (2019: primarily of costs arising in relation to restructuring).

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's annual accounts	17,330	11,000
	<u>17,330</u>	<u>11,000</u>

JDX Consulting Limited

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

8. Employees

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

	2020 £	2019 £
Wages and salaries	17,978,512	17,137,735
Social security costs	1,862,922	1,716,448
Cost of defined contribution scheme	844,031	444,136
	<u>20,685,465</u>	<u>19,298,319</u>

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

	2020 No.	2019 No.
Head office	64	54
Consultants	564	356
	<u>628</u>	<u>410</u>

JDX Consulting Limited

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

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	<u>1,766,439</u>	<u>1,803,129</u>

The highest paid director received remuneration of £400,000 (2019 - £359,882).

10. Interest receivable and similar income

	2020 £	2019 £
Interest receivable from group companies	<u>71,450</u>	<u>-</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Invoice discounting fees	99,770	168,699
Interest on director loans	73,748	30,356
Bank and other interest payable	36,123	113,093
	<u>209,641</u>	<u>312,148</u>

JDX Consulting Limited

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

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	342,294	670,403
Adjustments in respect of previous periods	54,007	(57,215)
Group taxation relief	5,398	65,030
	<u>401,699</u>	<u>678,218</u>
Foreign tax		
Foreign tax in respect of prior periods	-	29,448
Total current tax	<u>401,699</u>	<u>707,666</u>
Deferred tax		
Origination and reversal of timing differences	(7,369)	28,235
Taxation on profit on ordinary activities	<u>394,330</u>	<u>735,901</u>

Factors affecting tax charge for the year

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

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(35,583)</u>	<u>2,607,464</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(6,761)	495,418
Effects of:		
Expenses not deductible for tax purposes	345,257	270,391
Other tax adjustments, reliefs and transfers	-	1,156
Adjustments to tax charge in respect of previous periods	54,007	(27,767)
Adjustments to tax charge in respect of previous periods - deferred tax	(1,975)	-
Adjust closing deferred tax to average rate	-	(4,035)
Adjust opening deferred tax to average rate	3,802	738
Total tax charge for the year	<u>394,330</u>	<u>735,901</u>

JDX Consulting Limited

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

13. Intangible assets

	Systems development £	Goodwill £	Total £
Cost			
At 1 April 2019	-	5,175,038	5,175,038
Additions	668,948	-	668,948
At 31 March 2020	<u>668,948</u>	<u>5,175,038</u>	<u>5,843,986</u>
Amortisation			
At 1 April 2019	-	1,035,008	1,035,008
Charge for the year	-	1,035,008	1,035,008
At 31 March 2020	<u>-</u>	<u>2,070,016</u>	<u>2,070,016</u>
Net book value			
At 31 March 2020	<u>668,948</u>	<u>3,105,022</u>	<u>3,773,970</u>
At 31 March 2019	<u>-</u>	<u>4,140,030</u>	<u>4,140,030</u>

The intangible assets represent the business and net assets acquired from the holders of minority interests in JDX Base60 Limited, JDX Fintech Solutions Limited and JDX Consulting Inc that were acquired in March 2018 and hived up into JDX Consulting Limited on 1st April 2018. The estimated value of the acquired businesses continues to exceed the acquisition value, and the intangible value is therefore being amortised over the estimated life of the business, which is five years.

The intangible asset additions relate to capitalised software bought in the period to improve the operational effective of the group – other internal costs have been capitalised in relation to this software as per the accounting policy detailed in 2.5.

JDX Consulting Limited

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

14. Tangible fixed assets

	S/Term Leasehold Property £	Furniture & office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2019	876,655	50,241	376,016	1,302,912
Additions	-	2,204	88,945	91,149
At 31 March 2020	876,655	52,445	464,961	1,394,061
Depreciation				
At 1 April 2019	151,782	33,324	261,673	446,779
Charge for the year	175,342	9,675	116,458	301,475
At 31 March 2020	327,124	42,999	378,131	748,254
Net book value				
At 31 March 2020	549,531	9,446	86,830	645,807
At 31 March 2019	724,873	16,917	114,343	856,133

JDX Consulting Limited

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

15. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2019	662,559
Additions	1
Transfer of impairment reversal	150,000
At 31 March 2020	<u>812,560</u>
At 1 April 2019	(150,000)
Transfer of impairment reversal	150,000
At 31 March 2020	<u>-</u>
Net book value	
At 31 March 2020	<u><u>812,560</u></u>
At 31 March 2019	<u><u>812,559</u></u>

JDX Consulting Limited

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

15. Fixed asset investments (continued)

Direct subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
JDX Consulting Inc	Consulting	Ordinary	100%
JDX Fintech Solutions Limited	Consulting	Ordinary	100%
JDX Base 60 Limited	Consulting	Ordinary	100%
JDX InServe Limited	Consulting	Ordinary	100%
JDX Consulting Switzerland GmbH (LLC)	Consulting	Ordinary	100%
JDX Singapore Pte. Limited	Consulting	Ordinary	100%
JDX Consulting France SA	Consulting	Ordinary	100%
JDX Consulting Ireland Limited	Consulting	Ordinary	100%
Create Edge Limited	Consulting	Ordinary	51%
JDX Consulting Pty Limited	Consulting	Ordinary	100%

JDX Fintech Solutions Limited, JDX Base60 Limited, JDX InServe Limited and Create Edge Limited share the same registered office as JDX Consulting Limited, which is shown on the company information page.

The registered office of JDX Consulting Inc is 579 Fifth Avenue, 12th Floor, New York, NY 10017.

The registered office of JDX Consulting Switzerland GmbH (LLC) is, BDO AG, Fabrikstrasse 50, 8031 Zurich, Switzerland.

The registered office of JDX Singapore Pte. Limited is 600 North Bridge Road, #23-01 Parkview Square, Singapore 188778.

The registered office of JDX Consulting Ireland Limited is 5th Floor, Beaux Lane House, Mercer Street Lower, Dublin 2, D002 DH60.

The registered office of JDX Consulting Pty Limited is Level 11, 1 Margaret Street, Sydney, NSW 2000.

JDX Consulting Limited

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

16. Debtors

	2020 £	2019 £
Due after more than one year		
Amounts owed by group undertakings	5,902,857	-
Other debtors	517,199	515,086
	<u>6,420,056</u>	<u>515,086</u>
	2020 £	2019 £
Due within one year		
Trade debtors	6,216,500	7,033,363
Amounts owed by group undertakings	258,238	3,810,086
Other debtors	140,910	119,303
Prepayments and accrued income	255,823	204,567
	<u>6,871,471</u>	<u>11,167,319</u>

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	-	800,000
Trade creditors	891,978	454,962
Amounts owed to group undertakings	7,881,668	4,000,219
Corporation tax	189,185	381,170
Other taxation and social security	1,567,266	2,017,402
Invoice discounting	2,484,410	2,833,598
Other creditors	191,028	98,408
Accruals and deferred income	1,064,856	1,382,753
	<u>14,270,391</u>	<u>11,968,512</u>

JDX Consulting Limited

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

18. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	-	800,000

The bank loans in the prior year bear interest at 1.95% over the 1 month Sterling Libor rate. This amount was fully repaid during the year.

19. Deferred taxation

	2020 £	2019 £
At beginning of year	(34,299)	(6,064)
Charged to profit or loss	7,369	(28,235)
At end of year	(26,930)	(34,299)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	(39,489)	(41,787)
Short term timing differences	12,559	7,488
	(26,930)	(34,299)

20. Provisions -

	Dilapidation provision £
At 1 April 2019	150,000
At 31 March 2020	150,000

The dilapidations provision of £150,000 (2018: 150,000) relates to the premises occupied by JDX.

JDX Consulting Limited

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

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £0.001 each	<u>100</u>	<u>100</u>

22. Reserves

Profit and loss account

The profit and loss account comprises all other net gains and losses and transactions with owners not recognised elsewhere.

23. Commitments under operating leases

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

	2020 £	As restated 2019 £
Not later than one year	1,147,911	1,137,842
Later than one year and not later than five years	4,128,468	4,249,296
Later than 5 years	3,320,431	4,347,513
Total	<u>8,596,810</u>	<u>9,734,651</u>

On review of the operating lease commitments the directors found that the 2019 disclosure excluded certain information and as such considered that re-presenting the comparative in the note was appropriate. There has been no impact on the current or prior year statement of comprehensive income or statement of financial position.

24. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

As at 31 March 2020, the company was owed £49,453 (2019 - £48,253) by group undertakings. These amounts are included within amounts owed by group undertakings in debtors and are interest free and there are no set terms of repayment.

JDX Consulting Limited

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

25. Controlling party

The immediate parent company is JDX Holdings Limited, a company incorporated in the United Kingdom.

JDX Holdings Limited is the largest and smallest group for which group accounts are available. The consolidated accounts of JDX Holdings Limited are available to the public and may be obtained from Companies House.

The ultimate controlling party is J P Davies, who, along with his wife, holds a majority shareholding in JDX Holdings Limited.