
THE INFORMATION LAB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



THE INFORMATION LAB LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | T Brown L Stansil |
| Registered number | 07389833 |
| Registered office | 25 Watling Street London EC4M 9BR |
| Independent auditors | Ecovis Wingrave Yeats LLP Chartered Accountants & Statutory Auditor Waverley House 7-12 Noel Street London W1F 8GQ |

THE INFORMATION LAB LIMITED

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THE INFORMATION LAB LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

The directors present their strategic report on the company for the year ended 31 March 2019.

Business review

The company's profit for the year, after taxation, was £1,595,479 (2018 - £1,957,428). The company were in a net asset position of £4,993,459 (2018 - £3,987,980) at the year end.

The principal objective of The Information Lab Limited is to provide data analytics solutions through provision of Tableau and Alteryx software and provide consulting support as organisations implement this software. We are a long standing Tableau Gold partner and Alteryx Premier partner in the UK with experience in all aspects of both products.

In 2015, we opened The Data School, our training program for new recruits. We have now trained over 100 new consultants through our internal training capability and our team includes Tableau certified trainers, Tableau Zen Masters and Alteryx Aces – people who regularly spend time helping others learn these great technologies. We take applications throughout the year, from prospective consultants looking to embark on a career in data. We have six new cohorts starting each year. Once trained, graduates of the Data School are available for industry placements at clients using Tableau & Alteryx.

As a partner of both Tableau and Alteryx, our key role is to help ensure momentum in proliferation of the two products continues. The Information Lab is playing a part in this by using our training experience to create the next generation of great data analysts.

Principal risks and uncertainties

Management have examined the major risks that the company faces and they ensure this is reviewed regularly. The company has developed systems to monitor and control these risks to mitigate any impact that they may have on the company in the future.

The primary identified risk is movement of our consultants within the European countries due to Brexit. The Information Lab has clients in the wider European region and the company may have consultants travel overseas to provide solutions to customers. Therefore, the company is currently exploring multiple options of working around travel and trade agreements post-Brexit.

Financial key performance indicators

The company reports a revenue of £18.1m which is up 11% since the prior year. Although the company provides services across various sectors, below are the Top 5 sectors which primarily represents the revenue for FY 2019.

| | |
|-----------------------|-----|
| Financial and legal | 29% |
| Higher Education | 22% |
| Professional services | 21% |
| Charity | 18% |
| Property | 10% |

In financial year 2019, the company have worked with 368 customers (financial year 2018: 314) out of which 65% was repeat business.

THE INFORMATION LAB LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Other key performance indicators

We are currently Global Partner of the Year for Alteryx, and EMEA partner of the year for Tableau; awards the company have won more times than any other company globally.

We have the largest number of Tableau and Alteryx certified consultants of any company globally.

We achieved 36th place in the "Best Companies Award" in the UK.

This report was approved by the board on 12 / 19 / 2019

and signed on its behalf.



T Brown
Director

THE INFORMATION LAB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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

Principal activity

The Company's principal activities are the re-selling of software packages and support, as well as data consulting services.

Results and dividends

The profit for the year, after taxation, amounted to £1,595,479 (2018 - £1,957,428).

Dividends paid in the year were £590,000 (2018 - £630,000)

Future developments

There are no plans for the future which will significantly change our business model. The Data School will continue its growth to 120 consultants, at which point the consultants will be leaving at the same rate they arrive and hence total headcount will plateau. The revenue from the Data School at this point is expected to exceed £10m, double the current revenue.

The Core business will continue to grow at a similar pace, although the acquisition of Tableau by Salesforce represents a significant opportunity to accelerate growth if we are able to capitalise on this opportunity.

Our Spanish office will open before the end of 2019 and we expect to replicate the successes of our other European offices.

Financial instruments

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purposes of these instruments is to raise funds for and to finance the company's operations.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors

The directors who served during the year were:

T Brown
L Stansil

THE INFORMATION LAB LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Directors' responsibilities statement

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

This report was approved by the board on 19 December 2019 and signed on its behalf.



T Brown
Director

THE INFORMATION LAB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INFORMATION LAB LIMITED

Opinion

We have audited the financial statements of The Information Lab Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 2019 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

THE INFORMATION LAB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INFORMATION LAB LIMITED (CONTINUED)

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.

Opening balances

The financial statements for the prior period were not audited.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

THE INFORMATION LAB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INFORMATION LAB LIMITED
(CONTINUED)

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members 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 Auditors' 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.

Ecovis Wingrave Yeats LLP

Jessica Teague (Senior Statutory Auditor)

for and on behalf of

Ecovis Wingrave Yeats LLP

Chartered Accountants & Statutory Auditor

Waverley House

7-12 Noel Street

London

W1F 8GQ

Date:

20 December 2019

THE INFORMATION LAB LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

| | Note | 2019 £ | Unaudited Restated 2018 £ |
|--|------|------------------|------------------------------------|
| Turnover | 4 | 18,180,174 | 16,337,580 |
| Cost of sales | | (10,194,266) | (8,901,842) |
| Gross profit | | 7,985,908 | 7,435,738 |
| Administrative expenses | | (5,995,456) | (5,071,555) |
| Operating profit | 5 | 1,990,452 | 2,364,183 |
| Interest receivable and similar income | 10 | 837 | - |
| Profit before tax | | 1,991,289 | 2,364,183 |
| Tax on profit | 11 | (395,810) | (406,755) |
| Profit for the financial year | | 1,595,479 | 1,957,428 |

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 13 to 26 form part of these financial statements.

THE INFORMATION LAB LIMITED
REGISTERED NUMBER: 07389833

BALANCE SHEET
AS AT 31 MARCH 2019

| | | | 2019 £ | Unaudited Restated 2018 £ |
|--|------|-------------------|-------------------------|------------------------------------|
| | Note | | | |
| Fixed assets | | | | |
| Tangible assets | 12 | | 154,959 | - |
| Investments | 13 | | 164 | 164 |
| | | | <u>155,123</u> | <u>164</u> |
| Current assets | | | | |
| Debtors: amounts falling due within one year | 15 | 11,917,739 | 7,761,051 | |
| Cash at bank and in hand | | 3,165,806 | 2,035,006 | |
| | | <u>15,083,545</u> | <u>9,796,057</u> | |
| Creditors: amounts falling due within one year | 16 | (10,245,209) | (5,808,241) | |
| Net current assets | | | <u>4,838,336</u> | <u>3,987,816</u> |
| Total assets less current liabilities | | | <u>4,993,459</u> | <u>3,987,980</u> |
| Net assets | | | <u><u>4,993,459</u></u> | <u><u>3,987,980</u></u> |
| Capital and reserves | | | | |
| Called up share capital | 18 | | 100 | 100 |
| Profit and loss account | 19 | | 4,993,359 | 3,987,880 |
| | | | <u><u>4,993,459</u></u> | <u><u>3,987,980</u></u> |

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

19 December 2019



T Brown
Director

The notes on pages 13 to 26 form part of these financial statements.

THE INFORMATION LAB LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

| | Called up share capital £ | Profit and loss account £ | Total equity £ |
|---|---------------------------------|---------------------------------|-------------------|
| At 1 April 2017 | 100 | 2,660,452 | 2,660,552 |
| Profit for the year | - | 1,957,428 | 1,957,428 |
| Dividends: Equity capital | - | (630,000) | (630,000) |
| At 1 April 2018 (as previously stated) | 100 | 3,749,579 | 3,749,679 |
| Prior year adjustment | - | 238,301 | 238,301 |
| At 1 April 2018 (as restated) | 100 | 3,987,880 | 3,987,980 |
| Profit for the year | - | 1,595,479 | 1,595,479 |
| Dividends: Equity capital | - | (590,000) | (590,000) |
| At 31 March 2019 | 100 | 4,993,359 | 4,993,459 |

The notes on pages 13 to 26 form part of these financial statements.

THE INFORMATION LAB LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

| | 2019 £ | Unaudited 2018 £ |
|---|------------------|------------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 1,595,479 | 1,957,428 |
| Adjustments for: | | |
| Depreciation of tangible assets | 26,827 | - |
| Interest received | (837) | - |
| Taxation charge | 395,810 | 406,755 |
| (Increase) in debtors | (4,161,793) | (1,076,874) |
| Increase in creditors | 4,353,779 | 1,207,443 |
| Corporation tax (paid) | (307,516) | (697,866) |
| Net cash generated from operating activities | 1,901,749 | 1,796,886 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (181,786) | - |
| Purchase of share in associates | - | (164) |
| Interest received | 837 | - |
| Net cash from investing activities | (180,949) | (164) |
| Cash flows from financing activities | | |
| Dividends paid | (590,000) | (630,000) |
| Net cash used in financing activities | (590,000) | (630,000) |
| Net increase in cash and cash equivalents | 1,130,800 | 1,166,722 |
| Cash and cash equivalents at beginning of year | 2,035,006 | 868,284 |
| Cash and cash equivalents at the end of year | 3,165,806 | 2,035,006 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 3,165,806 | 2,035,006 |
| | 3,165,806 | 2,035,006 |

The notes on pages 13 to 26 form part of these financial statements.

THE INFORMATION LAB LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2019**

| | At 1 April 2018 £ | Cash flows £ | At 31 March 2019 £ |
|--------------------------|----------------------------------|-------------------------|-----------------------------------|
| Cash at bank and in hand | 2,035,006 | 1,130,800 | 3,165,806 |
| | <u>2,035,006</u> | <u>1,130,800</u> | <u>3,165,806</u> |

The notes on pages 13 to 26 form part of these financial statements.

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The Information Lab Limited is a private company, limited by shares, incorporated in England and Wales, registration number 07389833. The registered office is 25 Watling Street, London, EC4M 9BR.

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 Company has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

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

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of Licences

Revenue from the sale of licences is recognised when the licence has been granted to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits in respect of the transaction can be measured reliably. The licences are usually subscribed for a period of one year. Revenue is deferred and released on a monthly basis across the year.

Consultancy income

Consultancy income is recognised immediately after the entity have provided the consultancy services. Amounts are accrued at year end for individual's time spent that has not yet been invoiced.

Partner fees

Partner fees are calculated on a percentage of revenue generated by sales of licences in the European entities. These are reported half-yearly and are estimated and accrued for the period across the year-end.

2.3 Going concern

After making the relevant enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 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.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 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 accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.9 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 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.

2.10 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, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|------------------------|---------------------------------|
| Leasehold improvements | - Straight line over lease term |
| Office equipment | - Straight line over 3 years |

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.

2.11 Valuation of investments

Investments in associates are measured at cost.

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment, management considers factors including the current credit rating of the debtor, the ageing profile and historical experience.

Accruals

The company makes an estimate of accruals at the year end based on invoices received after the year end, work undertaken which has not yet been invoiced based on quotations or estimates of amounts that may be due for payment.

Partner fee income

The company makes an estimate of accrued partner fee income at year end based on the previous half yearly performance of the European partners.

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Turnover

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

| | 2019 £ | Unaudited Restated 2018 £ |
|--------------------|-------------------|------------------------------------|
| Sale of Licences | 10,368,443 | 10,068,640 |
| Consultancy income | 7,225,108 | 5,704,922 |
| Partner fees | 586,623 | 564,018 |
| | <u>18,180,174</u> | <u>16,337,580</u> |

Analysis of turnover by country of destination:

| | 2019 £ | Unaudited Restated 2018 £ |
|----------------|-------------------|------------------------------------|
| United Kingdom | 14,766,482 | 14,251,816 |
| Europe | 3,413,692 | 2,085,764 |
| | <u>18,180,174</u> | <u>16,337,580</u> |

5. Operating profit

The operating profit is stated after charging:

| | 2019 £ | Unaudited 2018 £ |
|-------------------------|----------------|------------------------|
| Exchange differences | (73,918) | 157,164 |
| Operating lease rentals | 298,227 | 158,769 |
| Depreciation | 26,827 | - |
| | <u>251,136</u> | <u>315,943</u> |

THE INFORMATION LAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Auditors' remuneration

| | 2019 £ |
|---|-------------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 15,000 |
| Fees payable to the Company's auditor and its associates in respect of: | |
| Taxation compliance services | 2,650 |
| All other services | 4,350 |
| | 7,000 |

7. Employees

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

| | 2019 £ | <i>Unaudited</i> 2018 £ |
|---|-------------------|---------------------------------------|
| Wages and salaries | 4,956,787 | 3,810,898 |
| Social security costs | 531,462 | 449,427 |
| Cost of defined contribution pension scheme | 163,031 | 215,763 |
| | 5,651,280 | 4,476,088 |

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

| | 2019 No. | <i>Unaudited</i> 2018 No. |
|-------------------|---------------------|---|
| Directors | 2 | 2 |
| Consultants | 71 | 57 |
| Sales and support | 13 | 11 |
| | 86 | 70 |

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

8. Key management compensation

Key management comprises of one of the directors and senior management. The compensation paid or payable to key management for employee services is shown below.

| | 2019 £ | Unaudited 2018 £ |
|--|----------------|------------------------|
| Salaries and other short term benefits | 670,755 | 992,940 |
| | <u>670,755</u> | <u>992,940</u> |

9. Directors' remuneration

| | 2019 £ | Unaudited 2018 £ |
|---|---------------|------------------------|
| Directors' emoluments | 10,000 | 10,000 |
| Company contributions to defined contribution pension schemes | 40,000 | 160,000 |
| | <u>50,000</u> | <u>170,000</u> |

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

10. Interest receivable

| | 2019 £ | Unaudited 2018 £ |
|--------------------------|------------|------------------------|
| Bank interest receivable | 837 | - |
| | <u>837</u> | <u>-</u> |

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Taxation

| | 2019 £ | Unaudited 2018 £ |
|--|----------------|------------------------|
| Corporation tax | | |
| Current tax on profits for the year | 390,126 | 412,439 |
| | <u>390,126</u> | <u>412,439</u> |
| Total current tax | <u>390,126</u> | <u>412,439</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 5,684 | (5,684) |
| Total deferred tax | <u>5,684</u> | <u>(5,684)</u> |
| Taxation on profit on ordinary activities | <u>395,810</u> | <u>406,755</u> |

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

| | 2019 £ | Unaudited 2018 £ |
|--|-----------|------------------------|
| Profit on ordinary activities before tax | 1,991,289 | 2,364,183 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | 378,345 | 403,918 |
| Effects of: | | |
| Fixed asset differences | 8,716 | - |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 9,005 | 3,553 |
| Adjustments to tax charge in respect of prior periods | - | (790) |
| Other timing differences leading to an increase (decrease) in taxation | 4,003 | - |
| Adjust closing deferred tax to average rate of 19% | (378) | 669 |
| Adjust opening deferred tax to average rate of 19% | (669) | (63) |
| Deferred tax not recognised | (3,212) | (532) |
| Total tax charge for the year | 395,810 | 406,755 |

THE INFORMATION LAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Tangible fixed assets

| | Leasehold improvements £ | Office equipment £ | Total £ |
|--------------------------|--------------------------------|--------------------------|----------------|
| Cost or valuation | | | |
| Additions | 156,591 | 25,195 | 181,786 |
| At 31 March 2019 | <u>156,591</u> | <u>25,195</u> | <u>181,786</u> |
| Depreciation | | | |
| Charge for the year | 20,528 | 6,299 | 26,827 |
| At 31 March 2019 | <u>20,528</u> | <u>6,299</u> | <u>26,827</u> |
| Net book value | | | |
| At 31 March 2019 | <u>136,063</u> | <u>18,896</u> | <u>154,959</u> |
| At 31 March 2018 | <u>-</u> | <u>-</u> | <u>-</u> |

13. Fixed asset investments

| | Investments in associates £ |
|--------------------------|--------------------------------------|
| Cost or valuation | |
| At 1 April 2018 | 164 |
| At 31 March 2019 | <u>164</u> |

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Associate

The following was an associate of the Company:

| Name | Registered office | Class of shares | Holding |
|-----------------------------|---|------------------------|----------------|
| The Data School Pty Limited | Suite 6, 13-15 Francis Street, Dee Why NSW 2099 | Ordinary | 30% |

The Data School Pty Limited shows a loss for the period of £341,369. Their net liability position at the year end was £340,825.

14. Dividends

| | 2019 | <i>Unaudited</i> |
|-----------|----------------|------------------|
| | £ | <i>2018</i> |
| Dividends | 590,000 | 630,000 |
| | 590,000 | 630,000 |

15. Debtors

| | 2019 | <i>Unaudited</i> |
|--------------------------------|-------------------|------------------|
| | £ | <i>Restated</i> |
| | | <i>2018</i> |
| | | £ |
| Trade debtors | 5,943,188 | 4,136,242 |
| Other debtors | 61,698 | 134,624 |
| Prepayments and accrued income | 5,912,853 | 3,485,080 |
| Deferred taxation | - | 5,105 |
| | 11,917,739 | 7,761,051 |

THE INFORMATION LAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Creditors: Amounts falling due within one year

| | 2019 £ | <i>Unaudited Restated</i> 2018 £ |
|------------------------------------|-------------------|--|
| Trade creditors | 1,230,706 | 649,508 |
| Corporation tax | 254,943 | 171,754 |
| Other taxation and social security | 804,222 | 720,518 |
| Other creditors | 191,139 | 35,849 |
| Accruals and deferred income | 7,764,199 | 4,230,612 |
| | <u>10,245,209</u> | <u>5,808,241</u> |

17. Deferred taxation

| | 2019 £ | <i>Unaudited</i> 2018 £ |
|---------------------------|-----------|-------------------------------|
| At beginning of year | 5,105 | (579) |
| Charged to profit or loss | (5,105) | 5,684 |
| At end of year | <u>-</u> | <u>5,105</u> |

The deferred tax asset is made up as follows:

| | 2019 £ | <i>Unaudited</i> 2018 £ |
|--------------------------------|-----------|-------------------------------|
| Accelerated capital allowances | - | 5,105 |
| | <u>-</u> | <u>5,105</u> |

18. Share capital

| | 2019 £ | <i>Unaudited</i> 2018 £ |
|---|------------|-------------------------------|
| Allotted, called up and fully paid | | |
| 100 (2018 - 100) Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

THE INFORMATION LAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

19. Reserves

Profit and loss account

The profit and loss account comprises of accumulated profits.

20. Prior year adjustment

During the year, sales were processed which actually related to the year to 31 March 2018; these amounts had not been recognised in the prior year financial statements. This resulted in a prior period correction of the comparative balances in these financial statements. Sales and accrued income have been increased by £238,301.

In the prior year financial statements, consultant's salaries were included within administrative expenses. These have been reclassified to cost of sales for comparative purposes, resulting in cost of sales increasing by £1,392,289 and administrative expenses decreasing by the same amount.

Additionally, the Company made an investment in an associate in the prior year; this had not been reflected in the prior year financial statements. This resulted in a further prior year correction of the comparative balances. Investments in associates and other creditors have been increased by £164.

21. 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 £123,031 (2018 - £55,763). Contributions totalling £NIL (2018 - £33,438) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 | Unaudited 2018 |
|--|-------------------|-------------------|
| | £ | £ |
| Not later than 1 year | 269,164 | 47,992 |
| Later than 1 year and not later than 5 years | 253,208 | - |
| Later than 5 years | 468,088 | - |
| | <u> </u> | <u> </u> |

23. Related party transactions

During the year, dividends of £590,000 (2018 - £630,000) were paid to two shareholders who are also directors of the Company.

THE INFORMATION LAB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

24. Controlling party

T Brown controls the Company by virtue of his shareholding.