

Vercida Limited

Annual Report and Unaudited Financial Statements

For the year ended 31 January 2019

Company Registration No. 07503138 (England and Wales)

Vercida Limited

Company Information

Directors	M Lobb B Chalcraft
Company number	07503138
Registered office	6-8 Colne Road Twickenham TW1 4JR
Accountants	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Vercida Limited

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Vercida Limited

Directors' Report

For the year ended 31 January 2019

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

Principal activities and review of the business

The principal activity of the company continued to be that of a diversity and inclusion job board.

2018 saw the first full year of trading on the newly launched platform VERCIDA.com. During the year the site was fully launched to both the public and our clients. The business transition from DiversityJobs.co.uk to VERCIDA.com was fully completed and DiversityJobs.co.uk was completely switched off.

The initial six month period was one of bug fixing and refining the user experience. VERCIDA.com held up well with less than 0.5% downtime and was indexed on Google very quickly (meaning we are appearing on page 1 for most content published).

In order to leverage off the newly created brand, the focus to marketing was a priority and a head of marketing was hired along with a supporting team to take the new system to a wider B2B and B2C market. VERCIDA has very quickly established itself as the leading diversity and inclusion careers website for employers looking to attract a diverse staff base. In November, VERCIDA.com won the UK's "Best Specialist Job Board" at the National Online Recruitment Awards (NORA's). With over 160 entries in the category, we firmly established the brand and technology as industry leading.

To further integrate with VERCIDA customers we also fully launched Vercida Consulting as a separate limited business (company number 10821054) to provide training, strategic planning and consultancy to customers trading with VERCIDA.com which produced revenues exceeding £350K (reported separately to these accounts).

Notably during 2018 VERCIDA.com had a 90% client retention rate and grew the client base from 80 to 130 clients across public and private sectors with client wins such as HMRC, EY, Virgin, and JP Morgan to name a few. VERCIDA also became the first careers site to integrate AI (Artificial Intelligence) giving job seekers a much stronger set of tools.

VERCIDA has grown sales revenue and began the process of listing jobs for clients internationally and now lists jobs in the UK, USA, Belgium, Czech Republic and France.

The business now has its sights on internationalisation and expansion globally.

Directors

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

M Lobb
B Chalcraft

Vercida Limited

Directors' Report (Continued)

For the year ended 31 January 2019

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....
B Chalcraft
Director

.....

Vercida Limited

Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Vercida Limited for the year ended 31 January 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Vercida Limited for the year ended 31 January 2019 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the Board of Directors of Vercida Limited, as a body, in accordance with the terms of our engagement letter dated 12 January 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Vercida Limited and state those matters that we have agreed to state to the Board of Directors of Vercida Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Vercida Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Vercida Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Vercida Limited. You consider that Vercida Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Vercida Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kingston Smith LLP

Chartered Accountants

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Devonshire House
60 Goswell Road
London
EC1M 7AD

Vercida Limited

Profit and loss account

For the year ended 31 January 2019

	Notes	2019 £	2018 £
Turnover		1,014,378	931,662
Cost of sales		(471,193)	(476,608)
Gross profit		543,185	455,054
Administrative expenses		(320,333)	(233,297)
Other operating income		12,000	16,300
Operating profit		234,852	238,057
Interest receivable and similar income		5	3
Interest payable and similar expenses		(9,558)	(50,062)
Profit before taxation		225,299	187,998
Taxation	3	(28,363)	(65,142)
Profit for the financial year		196,936	122,856

Vercida Limited

Balance Sheet

As at 31 January 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	4		138,978		78,390
Tangible assets	5		42,867		52,557
			<u>181,845</u>		<u>130,947</u>
Current assets					
Debtors	6	390,248		340,742	
Cash at bank and in hand		45,902		21,130	
		<u>436,150</u>		<u>361,872</u>	
Creditors: amounts falling due within one year	7	<u>(385,880)</u>		<u>(255,376)</u>	
Net current assets			<u>50,270</u>		<u>106,496</u>
Total assets less current liabilities			<u>232,115</u>		<u>237,443</u>
Creditors: amounts falling due after more than one year	8		(168,900)		(197,146)
Provisions for liabilities	9		<u>(30,667)</u>		<u>(24,686)</u>
Net assets			<u><u>32,548</u></u>		<u><u>15,611</u></u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss reserves			<u>32,448</u>		<u>15,511</u>
Total equity			<u><u>32,548</u></u>		<u><u>15,611</u></u>

Vercida Limited

Balance Sheet (Continued)

As at 31 January 2019

For the financial year ended 31 January 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements in the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

.....
B Chalcraft
Director

Company Registration No. 07503138

Vercida Limited

Notes to the Financial Statements

For the year ended 31 January 2019

1 Accounting policies

Company information

Vercida Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6-8 Colne Road, Twickenham, TW1 4JR.

1.1 Accounting convention

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

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

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

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable at the point that the service is provided, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

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

Website development

Over 5 years on a straight line basis

Vercida Limited

Notes to the Financial Statements (Continued)

For the year ended 31 January 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

Fixtures and fittings	25% straight line
Computer equipment	33% straight line
Motor vehicles	20% reducing balance

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

1.6 Impairment of fixed assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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

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

1.7 Cash and cash equivalents

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

1.8 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

1.9 Equity instruments

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

Vercida Limited

Notes to the Financial Statements (Continued)

For the year ended 31 January 2019

1 Accounting policies

(Continued)

1.10 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Vercida Limited

Notes to the Financial Statements (Continued)

For the year ended 31 January 2019

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 14 (2018 - 13)

3 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	35,258	39,706
Adjustments in respect of prior periods	(12,876)	-
Total current tax	<u>22,382</u>	<u>39,706</u>
Deferred tax		
Origination and reversal of timing differences	5,981	(1,310)
Changes in tax rates	-	(1,210)
Previously unrecognised tax loss, tax credit or timing difference	-	27,956
Total deferred tax	<u>5,981</u>	<u>25,436</u>
Total tax charge	<u>28,363</u>	<u>65,142</u>

Vercida Limited

Notes to the Financial Statements (Continued)

For the year ended 31 January 2019

4 Intangible fixed assets

	Goodwill	Website development	Total
	£	£	£
Cost			
At 1 February 2018	24,400	97,988	122,388
Additions	-	93,205	93,205
	<u>24,400</u>	<u>191,193</u>	<u>215,593</u>
At 31 January 2019	24,400	191,193	215,593
Amortisation and impairment			
At 1 February 2018	24,400	19,598	43,998
Amortisation charged for the year	-	32,617	32,617
	<u>24,400</u>	<u>52,215</u>	<u>76,615</u>
At 31 January 2019	24,400	52,215	76,615
Carrying amount			
At 31 January 2019	-	138,978	138,978
	<u>-</u>	<u>138,978</u>	<u>138,978</u>
At 31 January 2018	-	78,390	78,390
	<u>-</u>	<u>78,390</u>	<u>78,390</u>

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 February 2018	84,922
Additions	570
	<u>85,492</u>
At 31 January 2019	85,492
Depreciation and impairment	
At 1 February 2018	32,365
Depreciation charged in the year	10,260
	<u>42,625</u>
At 31 January 2019	42,625
Carrying amount	
At 31 January 2019	42,867
	<u>42,867</u>
At 31 January 2018	52,557
	<u>52,557</u>

Vercida Limited

Notes to the Financial Statements (Continued)

For the year ended 31 January 2019

6 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	163,828	166,388
Other debtors	226,420	174,354
	<u>390,248</u>	<u>340,742</u>

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	527	527
Trade creditors	131,871	45,157
Corporation tax	67,494	44,398
Other taxation and social security	72,857	59,969
Other creditors	113,131	105,325
	<u>385,880</u>	<u>255,376</u>

8 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	168,900	197,146
	<u>168,900</u>	<u>197,146</u>

The long-term loans are secured by way of personal guarantees.

9 Provisions for liabilities

	2019 £	2018 £
Deferred tax liabilities	30,667	24,686
	<u>30,667</u>	<u>24,686</u>

10

Vercida Limited

Notes to the Financial Statements (Continued)

For the year ended 31 January 2019

10 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
ACAs	30,667	24,686
	<u> </u>	<u> </u>
Movements in the year:		2019 £
Liability at 1 February 2018		24,686
Charge to profit or loss		5,981
		<u> </u>
Liability at 31 January 2019		30,667
		<u> </u>

The deferred tax liability set out above is not expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

11 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
60 Ordinary A shares of £1 each	60	60
15 Ordinary B shares of £1 each	15	15
25 Ordinary C shares of £1 each	25	25
	<u> </u>	<u> </u>
	100	100
	<u> </u>	<u> </u>

Vercida Limited

Notes to the Financial Statements (Continued)

For the year ended 31 January 2019

12 Related party transactions

At the year end, there was an amount of £165,050 (2018: £140,362) owed from the directors of the company. These amounts have been subsequently repaid post year end.

The total directors' remuneration was £22,358 (2018: £14,666). The total dividends paid to the directors was £143,000 (2018: £71,580).

During the year the company charged £12,000 (2018: £16,300) to Vercida Consulting.com Limited, a company in which the directors have an interest. The company also paid for expenses on behalf of Vercida Consulting.com Limited totalling £nil (2018: £11,728). At the year the end a balance of £7,838 (2018: £27,728) was owed from Vercida Consulting.com Limited.

13 Control

The company was under the control of M Lobb throughout the current year. M Lobb is the managing director and majority shareholder.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.