Company registration number 08876317 (England and Wales)

THE UNILINK GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

THE UNILINK GROUP LIMITED

COMPANY INFORMATION

Directors	F Toye D Purkess Z Whitworth S Negus P Mullins J Malin	 (Appointed 1 December 2020)
Secretary	A Zlatinova	
Company number	08876317	
Registered office	Europoint Centre 5-11 Lavington Street London SE1 0NZ	
Auditor	BDO LLP 55 Baker Street London W1U 7EU	

THE UNILINK GROUP LIMITED

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THE UNILINK GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present the strategic report for The Unilink Group Limited ("the Company") and its subsidiaries (together, "the Group") for the year ended 30 June 2021.

Review of the business including development and performance
Turnover for the year was £19,009k, an increase of 28% compared to £14,899k in 2020. The gross profit rose to £9,025k (2020: £7,995k) and net assets at year-end were £5,511k (2020: £4,135k).

The profit for the year rose from £449k in 2020 to £1,955k.

The results for the year and the financial position at year end are considered to be very satisfactory by the directors. The group has achieved significant revenue growth since being awarded a contract in 2019 by Kriminalomsorgen (KO), the Norwegian Prison and Probation Service. The contract is to configure and expand the group's existing products to deploy and maintain an integrated prison and probation software platform (potentially cloud based) across Norway (the KO Project). Existing contracts with other key customers including the UK Ministry of Justice and private prison operators in the UK and overseas have continued to grow.

The increase in profit reflects the addition of internally developed development costs of £1,905k which were capitalised in 2021 (2020: £651k). This is consistent with the group's continued strategy of significant investment in its software platforms.

Key performance indicators
The key indicators used to monitor the financial performance of the group are as follows:

Turnover	£19,009k	(2020: £14,899k)
Gross profit margins	47%	(2020: 54%)
Net profit	£1,955k	(2020: 449k)

The group relies on the domain and technical expertise of its employees to succeed. We aim to provide competitive remuneration and a best-in-class training support program to attract, retain and develop the high calibre experts that our customers require.

Principal risks and uncertainties
The principal risks and uncertainties continuing to face the group are broadly grouped as inflation, COVID-19, market and product, competition and price, operational, and financial and credit risk. These are monitored by the management team and reviewed regularly by the board of directors.

Inflation
The group seeks to pay competitive salaries to retain and recruit staff and is therefore exposed to market increases in cost of living. All material customer contracts include inflation adjustments to revenue and therefore the group has a degree of natural hedge, in the longer term, although in the short term some volatility does exist.

COVID-19
The group took early action to support remote (home) working for staff due to the COVID-19 pandemic prior to mandatory restrictions (apart from a small manufacturing team). The impact during the year has been mixed for the group: while some areas that replace face to face activity such as our "email a prisoner" software expanded, staff morale and productivity appeared resilient but may be impacted over the longer term as may customer relationships given the move to virtual rather than face to face meetings.

The duration and impact of COVID-19 post year end on these and other areas remains unclear, and we are unable to estimate the overall impact on the group with any certainty. We continue to invest in staff's ability to work remotely. We are also prioritising software product development to enhance "self service" options for prisoners and probationary offenders, thereby reducing administrative burden and mitigating against staff absence due to COVID.

Market and product risk
The group remains committed to developing innovative software (and associated services and hardware) to help Justice Organisations manage offenders and regimes in a humane and cost-effective way for the benefit of all. The directors require that management seek to analyse and monitor market opportunities and demands (both current and forecast) and technological solutions. This in turn allows the directors to focus management's attention on the appropriate sectors and opportunities to provide growth in revenue and margins.

Competition and price risk
The markets are globally fragmented and strong regional competitors exist, and price aggressively. The group has responded by building on its customer base and by introducing new technologies into the marketplace to maintain and grow its market position.

Operational risk
As the business expands, new processes and policies must be developed to manage the larger staff group and to help train and support the new management group. The directors continue to and support the senior management in this challenge on an ongoing basis.

Financial instruments and related financial risks
The group's operations are now across a number of countries and it is therefore exposed to a variety of financial risks including liquidity risk (lack of tradeable assets/cash to run operations or settle immediate liabilities), foreign exchange (gains or losses due to currency change), credit risk (both via risks to debtor collection and ability of the business to raise working capital) and interest rate risk (volatility in the cost of servicing debt).

The group's profitable businesses generate liquidity (tradeable assets/cash). The group monitors and reviews exposure on a recurring basis and seeks to manage and limit any material adverse effects:

- Customer prices, and supplier costs are monitored and managed to maintain margins yet remain competitive.
- Currency exchange risks is primarily due to revenues in Europe and Australasia. The group monitors this to maintain a natural hedge to ensure as far as possible that exposure on receivables is offset by exposure on payables.
- Group funding is currently a mix of retained earnings and longer-term debt at a fixed interest rate, thereby mitigating interest rate risk and ensuring certainty of debt servicing costs.
- Credit risk relates to customers and cash held; cash is placed with banks of a minimum credit rating approved by the board, and customers seeking credit terms for material sums are subject to credit verification procedures. Trade debtors are actively monitored, and provision made for doubtful debts where necessary but the nature of the principal activity makes this a limited risk for the group.

Future developments

COVID-19
The COVID-19 pandemic will likely continue to likely impact the group in 2022 and 2023. Almost all employees were able to work remotely which allowed us to continue to both support existing customers and seek to develop new technologies and prospects. We expect that the group will operate in the future with a mixture of face-to-face and virtual interaction both internally and externally, as will our customers. As noted earlier under Principal Risks and Uncertainties, we are prioritising investment to support this internally and our product development for customers accordingly.

Research and development
This strategy has been validated by the signing in July 2022 (and therefore post reporting date), of a highly material contract with the Directorate General of the Penitential Institutions (DG-EPI), the Belgium Prison Service, for our U-Case product which we first sold to KO in 2019. The financial impacts of this sale will first be seen in our financial statements for the year end 30 June 2023.

On behalf of the board

F Toye
Director

28 September 2022

The directors present their annual report and financial statements for the year ended 30 June 2021.

Results and dividends
The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £625,000 (2020: £500,000). The directors do not recommend payment of a further dividend.

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

F Toye	
D Purkess	
Z Whitworth	
S Negus	
Sir M Narey	(Resigned 28 July 2022)
P Mullins	
J Malin	(Appointed 1 December 2020)

Research and development
The group's entities engage in research and development activities that are eligible for R&D Tax Credits, these include the development of the group's software and hardware solutions for customers.

Post reporting date events
KO Project
The KO project has continued to progress with both KO and the group working to reduce uncertainty and risk, particularly with respect to scope.

DG-EPI
A material contract to configure and licence the U-Case product to the Belgium Prison Service was signed in July 2022. The financial impacts will first be seen in the 2023 accounts.

Changes in presentation of the financial statements
The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial instruments and future developments.

Going concern
The Directors have prepared detailed cash flow projections for the period to 31 January 2024 for the Company and its subsidiaries. These have been subject to the Company's customary sensitivity analysis at the revenue, cost and combined revenue and cost levels, and considered the effects that the loss of a material customer would have on the projections. The Directors have identified that risks exist such that, in specific circumstances, the Company would be unable to meet its obligations as they fall due in the short term ie to 31 December 2022.

The Group's liquidity in this period is driven by two specific factors to permit payment of material creditors on a timely basis:

- Prompt (same month) settlement of invoices by the Group's largest customer, the (UK) Ministry of Justice ("MoJ"). This is in line with both MoJ's declared payment policy and the Company's experience in 2022.

- The overdraft facility provided by the main clearing bank which is, as is usually the case, repayable on demand, continuing to remain available. The facility is for £750,000 and the lender may cancel all or part, or demand full repayment at any time, without notice. The facility is secured by debenture over the assets of the Group. The Directors have been given no reason to doubt that this facility will continue to be available. The facility has in recent months been at specific times wholly undrawn.

At the date of signing of the accounts, the balance drawn down on the overdraft is £20,641.

In the absence of any further funding options, circumstances could arise in which the Group would have to consider delaying payments. As part of the Company's contingency planning at a time of high growth, it agreed in 2022 a standby credit facility, committed to 31 January 2024, from its main shareholder. The Directors are confident that expected cash flow in 2024 will not require the renewal of this facility. At the date of signing of the accounts notice had been issued for the £500,000 to be drawn down and the full £500,000 has been received.

From 1 January 2023 the cash flow projections assume that existing business with the MoJ continues broadly as now, and that delivery against the material contracts with the Kriminalomsorgen ("KO"), the Norwegian Prison and Probation Service and the Directorate General of the Penitential Institutions ("DG-EPI"), the Belgium Prison Service DGI is satisfactory. The projections therefore assume that the material payments on those contracts that fall due are settled in accordance with contractual terms.

The Directors of the Company believe that the ongoing prompt and transparent communication with both MoJ and the main clearing bank, and the progress to manage delivery to KO and DGI, along with communication with other customers, mitigate this uncertainty. They note that while contracts with MoJ and other customers may be subject to annual renewal, to date no material customer has left the Group. Therefore, the Directors continue to adopt the going concern basis in preparing the financial statements.

However, the short-term liquidity risk to 31 December 2022 as a result of the two points set out above may result in the requirement to obtain additional funding. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Auditor
The auditor, BDO LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

F Toye
Director

28 September 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE UNILINK GROUP LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2021 and of the Group's profit for the year then ended;

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Unilink Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2021 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group cash flow statement, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1.2 to the financial statements, which indicates that failure of the Group to obtain prompt settlement of invoices from its largest customer and withdrawal of access to its current overdraft facility may result in the requirement to obtain additional funding. As stated in note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We *obtained an understanding of the legal and regulatory frameworks that are applicable to the Group.* We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework, employment regulations and relevant tax regulations;

- We understood how the Group is complying with those legal and regulatory frameworks by making enquiries to management. We corroborated our enquiries through our review of board minutes and discussion with management;

- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by our enquiries with the management and component auditors from various parts of the business to understand where it is considered there was a susceptibility of fraud;

- Our audit planning identified fraud risks in relation to management override, inappropriate or incorrect revenue recognition, and the valuation and existence of stock. We obtained an understanding of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors the processes and controls;

- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on large or unusual transactions, unusual accounts combination and unusual words based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates which are subject to management's judgement and estimation, and could be subject to potential bias;

- With regards to the fraud risk identified in connection with the recognition of revenues, we performed substantive testing of contracts, particularly focusing on the cut-off for projects panning the period-end. In connection with the risk associated with stock our testing included attendance at physical stock counts and the review of post-date stock movement to assess the valuation of balances at the reporting date; and

- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https:// *www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.*

THE UNILINK GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE UNILINK GROUP LIMITED

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Tom Laird

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Tom Laird (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

28 September 2022

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

THE UNILINK GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	19,008,513	14,899,504
Cost of sales		(9,983,072)	(6,904,560)
Gross profit		9,025,441	7,994,944
Administrative expenses		(6,700,986)	(7,519,268)
Other operating income		-	2,194
Operating profit	4	2,324,455	477,870
Interest receivable and similar income		190	252
Interest payable and similar expenses	8	(8,512)	(25,657)
Profit before taxation		2,316,133	452,465
Tax on profit	10	(361,477)	(3,082)
Profit for the financial year		1,954,656	449,383
Other comprehensive (loss)/income			
Currency translation differences		(2,213)	-
Total comprehensive income for the year		1,952,443	449,383

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

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

The income statement has been prepared on the basis that all operations are continuing operations.

THE UNILINK GROUP LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Goodwill	13		2,813,011		3,988,800
Other intangible assets	13		2,879,108		1,278,476
Total intangible assets			5,692,119		5,267,276
Tangible assets	14		1,698,143		1,755,357
			7,390,262		7,022,633
Current assets					
Stocks	17	716,556		554,719	
Debtors	18	2,403,364		2,221,593	
Cash at bank and in hand		984,627		2,248,956	
		4,104,547		5,025,268	
Creditors: amounts falling due within one year	19	(5,598,556)		(7,889,872)	
Net current liabilities			(1,494,009)		(2,864,604)
Total assets less current liabilities			5,896,253		4,158,029
Provisions for liabilities					
Deferred tax liability	21	(384,962)		(23,485)	
			(384,962)		(23,485)
Net assets			5,511,291		4,134,544
Capital and reserves					
Called up share capital	23		100,501		100,501
Share premium account	24		30,500		30,500
Other reserves	24		114,960		65,656
Profit and loss reserves	24		5,265,330		3,937,887
Total equity			5,511,291		4,134,544

The financial statements were approved by the board of directors and authorised for issue on 28 September 2022 *and are signed on its behalf by:*

F Toye
Director

28th Sept 2022

THE UNILINK GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	15		7,811,007		7,811,007
Current assets					
Debtors	18	31,000		31,000	
Cash at bank and in hand		100		-	
		31,100		31,000	
Creditors: amounts falling due within one year	19	(7,519,197)		(7,517,171)	
Net current liabilities			(7,488,097)		(7,486,171)
Net assets			322,910		324,836
Capital and reserves					
Called up share capital	23		100,501		100,501
Share premium account	24		30,500		30,500
Other reserves	24		114,960		65,656
Profit and loss reserves	24		76,949		128,179
Total equity			322,910		324,836

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £573,770 (2020 - £433,390 profit).

The financial statements were approved by the board of directors and authorised for issue on 28 September 2022 and are signed on its behalf by:

F Toye
Director

Company Registration No. 08876317

28th Sept 2022

THE UNILINK GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
		£	£	£	£	£
Balance at 1 July 2019		100,501	30,500	-	3,988,504	4,119,505
Year ended 30 June 2020:						
Profit and total comprehensive income for the year		-	-	-	449,383	449,383
Dividends	11	-	-	-	(500,000)	(500,000)
Credit to reserve for equity settled share-based payments		-	-	65,656	-	65,656
Balance at 30 June 2020		100,501	30,500	65,656	3,937,887	4,134,544
Year ended 30 June 2021:						
Profit for the year		-	-	-	1,954,656	1,954,656
Other comprehensive loss:						
Currency translation differences		-	-	-	(2,213)	(2,213)
Total comprehensive income for the year		-	-	-	1,952,443	1,952,443
Dividends	11	-	-	-	(625,000)	(625,000)
Credit to reserve for equity settled share-based payments		-	-	49,304	-	49,304
Balance at 30 June 2021		100,501	30,500	114,960	5,265,330	5,511,291

THE UNILINK GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total equity
		£	£	£	£	£
Balance at 1 July 2019		100,501	30,500	-	194,790	325,791
Year ended 30 June 2020:						
Profit and total comprehensive income for the year		-	-	-	433,389	433,389
Dividends	11	-	-	-	(500,000)	(500,000)
Other movements		-	-	65,656	-	65,656
Balance at 30 June 2020		100,501	30,500	65,656	128,179	324,836
Year ended 30 June 2021:						
Profit and total comprehensive income for the year		-	-	-	573,770	573,770
Dividends	11	-	-	-	(625,000)	(625,000)
Other movements		-	-	49,304	-	49,304
Balance at 30 June 2021		100,501	30,500	114,960	76,949	322,910

THE UNILINK GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	28		1,922,128		2,363,624
Interest paid			(8,512)		(25,657)
Income taxes refunded/(paid)			240		(1,286)
Net cash inflow from operating activities			1,913,856		2,336,681
Investing activities					
Purchase of intangible assets		(1,905,620)		(651,000)	
Purchase of tangible fixed assets		(416,136)		(513,264)	
Proceeds from disposal of tangible fixed assets		-		900	
Interest received		190		252	
Net cash used in investing activities			(2,321,566)		(1,163,112)
Financing activities					
Repayment of borrowings		(229,341)		(169,176)	
Dividends paid to equity shareholders		(625,000)		(500,000)	
Net cash used in financing activities			(854,341)		(669,176)
Net (decrease)/increase in cash and cash equivalents			(1,262,051)		504,393
Cash and cash equivalents at beginning of year			2,248,891		1,744,498
Effect of foreign exchange rates			(2,213)		-
Cash and cash equivalents at end of year			984,627		2,248,891
Relating to:					
Cash at bank and in hand			984,627		2,248,956
Bank overdrafts included in creditors payable within one year			-		(65)

1 Accounting policies

Company information

The Unilink Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Europoint Centre, 5-11 Lavington Street, London, SE1 0NZ.

The group consists of The Unilink Group Limited and all of its subsidiaries.

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.

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

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Going concern

The Directors have prepared detailed cash flow projections for the period to 31 January 2024 for the Company and its subsidiaries. These have been subject to the Company's customary sensitivity analysis at the revenue, cost and combined revenue and cost levels, and considered the effects that the loss of a material customer would have on the projections. The Directors have identified that risks exist such that, in specific circumstances, the Company would be unable to meet its obligations as they fall due in the short term ie to 31 December 2022.

The Group's liquidity in this period is driven by two specific factors to permit payment of material creditors on a timely basis:

- Prompt (same month) settlement of invoices by the Group's largest customer, the (UK) Ministry of Justice ("MoJ"). This is in line with both MoJ's declared payment policy and the Company's experience in 2022.

- The overdraft facility provided by the main clearing bank which is, as is usually the case, repayable on demand, continuing to remain available. The facility is for £750,000 and the lender may cancel all or part, or demand full repayment at any time, without notice. The facility is secured by debenture over the assets of the Group. The Directors have been given no reason to doubt that this facility will continue to be available. The facility has in recent months been at specific times wholly undrawn.

1 Accounting policies **(Continued)**

At the date of signing of the accounts, the balance drawn down on the overdraft is £20,641.

In the absence of any further funding options, circumstances could arise in which the Group would have to consider delaying payments. As part of the Company's contingency planning at a time of high growth, it agreed in 2022 a standby credit facility, committed to 31 January 2024, from its main shareholder. The Directors are confident that expected cash flow in 2024 will not require the renewal of this facility. At the date of signing of the accounts notice had been issued for the £500,000 to be drawn down and the full £500,000 has been received.

From 1 January 2023 the cash flow projections assume that existing business with the MoJ continues broadly as now, and that delivery against the material contracts with the Kriminalomsorgen ("KO"), the Norwegian Prison and Probation Service and the Directorate General of the Penitential Institutions ("DG-EPI"), the Belgium Prison Service DGI is satisfactory. The projections therefore assume that the material payments on those contracts that fall due are settled in accordance with contractual terms.

The Directors of the Company believe that the ongoing prompt and transparent communication with both MoJ and the main clearing bank, and the progress to manage delivery to KO and DGI, along with communication with other customers, mitigate this uncertainty. They note that while contracts with MoJ and other customers may be subject to annual renewal, to date no material customer has left the Group. Therefore, the Directors continue to adopt the going concern basis in preparing the financial statements.

However, the short-term liquidity risk to 31 December 2022 as a result of the two points set out above may result in the requirement to obtain additional funding. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

1.3 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised adjusts goodwill or negative goodwill.

1.4 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company The Unilink Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 June 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

1 Accounting policies **(Continued)**

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the delivery of services is recognised over time by comparing how much of the project has been completed versus total expected time required and also with reference to the completion of specific milestones. This is because costs are incurred in proportion to the Group's progress as it satisfies its performance obligations.

In relation to time-based projects, costs plus profit margin and approved expenses are recoverable at agreed daily rates and typically invoiced to customers in the month following performance and subject to customers' confirmation that time has been appropriately recorded and is now recoverable at the value stated in the related invoice.

1.6 Research and development expenditure

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

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business 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 expected to be 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.

1.8 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 acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

Patents	20% per annum straight line
Development costs	25% per annum straight line

1 Accounting policies **(Continued)**

1.9 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:

Leasehold improvements	over the term of the lease on a straight line basis
Equipment	25-33% per annum on a reducing balance basis
Fixtures and fittings	25% per annum on a reducing balance basis
Computers	25% per annum on a reducing balance basis
Motor vehicles	25% per annum on a reducing balance basis

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 recognised in the income statement.

1.10 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.11 Impairment of fixed assets

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

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.13 Cash and cash equivalents

Cash and cash equivalents 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.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

1 Accounting policies **(Continued)**

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.15 Equity instruments

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

1.16 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 income statement 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 group'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 income statement, 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 if, and only if, there is 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 Accounting policies **(Continued)**

1.17 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.

1.18 Retirement benefits

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

1.19 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.20 Leases

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

1.21 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 in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of assets

The directors have applied judgement in order to determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill, at the year end.

Determining whether goodwill or other non-current assets are impaired requires an estimation of the value in use of the business being tested for impairment and of the cash-generating units to which these assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit, taking into account the achievability of long-term business plans.

Revenue recognition

Revenue is recognised either when the significant risks and rewards of ownership of goods have passed to the buyer or when stage of completion for the provision of services can be estimated reliably. As such there is judgement as to the stage of completion with regards to the provision of services as to the stage of completion and the costs to complete.

Capitalisation of internally developed intangible assets

In calculating the internally developed intangible assets, judgement is required in determining if the assets meet the requirements of the relevant standard for recognition as an intangible asset and whether they will derive economic benefits for the company going forward.

3 Turnover

	2021	2020
	£	£
Turnover analysed by class of business		
Hardware sales and rentals	3,288,711	2,170,081
Software and software development	6,020,905	6,292,172
Services	7,399,062	3,979,078
Support	2,299,835	2,458,173
	19,008,513	14,899,504

	2021	2020
	£	£
Turnover analysed by geographical market		
UK	15,810,148	12,956,238
Europe	2,005,083	1,199,180
Rest of World	1,193,282	744,086
	19,008,513	14,899,504

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(12,935)	(83,855)
Depreciation of owned tangible fixed assets	473,350	564,863
Profit on disposal of tangible fixed assets	-	(900)
Amortisation of intangible assets	1,480,777	1,480,776
Stocks impairment losses recognised or reversed	129,593	103,784
Share-based payments	49,304	65,656
Operating lease charges	324,168	288,572

5 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	66,580	59,976

The audit fees are recharged from the parent company to the trading subsidiaries and borne by them.

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Management	6	6	6	6
Technical, Project, and Software Development	121	90	-	-
Administration	36	26	-	-
Sales	8	7	-	-
Total	171	129	6	6

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	6,499,488	5,480,276	49,304	65,656
Social security costs	860,080	593,836	-	-
Pension costs	459,427	174,238	-	-
	7,818,995	6,248,350	49,304	65,656

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	662,464	437,131
Company pension contributions to defined contribution schemes	42,560	4,345
	705,024	441,476

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

	2021	2020
	£	£
Remuneration for qualifying services	223,733	161,594
Company pension contributions to defined contribution schemes	20,209	-

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	8,272	23,481
Other interest	240	2,176
Total finance costs	8,512	25,657

9 Share based payments

The company issues share options to qualifying staff members for shares in The Unilink Group Limited, a private company registered in England and Wales.

The extent of share based incentives relating to the employees of the group, calculated in accordance with the intrinsic fair value of the units as on the date of grant, apportioned over the vesting period is recognised as a cost in the income statement. The expense for the year amounted to £49,304 (2020: £65,656).

The Unilink Group Limited's relevant employee benefit plan is summarised as follows:

EMI Share Options
The share options accrue over a five to seven year period, based on continued employment and are settled upon a liquid event.

10 Taxation

	2021 £	2020 £
Current tax		
Adjustments in respect of prior periods	-	3,082
Deferred tax		
Origination and reversal of timing differences	361,477	-
Total tax charge	361,477	3,082

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	2,316,133	452,465
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	440,065	85,968
Tax effect of expenses that are not deductible in determining taxable profit	13,507	23,764
Gains not taxable	-	(218)
Tax effect of utilisation of tax losses not previously recognised	-	(8,042)
Unutilised tax losses carried forward	-	384,021
Change in unrecognised deferred tax assets	(100,849)	-
Effect of change in corporation tax rate	72,125	-
Group relief	-	(103,563)
Permanent capital allowances in excess of depreciation	(9,721)	28,962
Amortisation on assets not qualifying for tax allowances	223,400	-
Research and development tax credit	407,242	(386,894)
Other non-reversing timing differences	1,017	(20,916)
Deduction for qualifying R&D expenditure	(685,309)	-
Taxation charge	361,477	3,082

The group has unutilised tax losses amounting to £2,614,064 (2020: £3,235,570).

11 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	625,000	500,000

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £	2020 £
In respect of:			
Stocks	17	129,593	103,784
Recognised in:			
Cost of sales		129,593	103,784

13 Intangible fixed assets

Group	Goodwill	Patents	Development costs	Total
	£	£	£	£
Cost				
At 1 July 2020	6,388,786	84,936	2,585,650	9,059,372
Additions - internally developed	-	-	1,905,620	1,905,620
At 30 June 2021	6,388,786	84,936	4,491,270	10,964,992
Amortisation and impairment				
At 1 July 2020	2,399,986	84,935	1,307,175	3,792,096
Amortisation charged for the year	1,175,789	-	304,988	1,480,777
At 30 June 2021	3,575,775	84,935	1,612,163	5,272,873
Carrying amount				
At 30 June 2021	2,813,011	1	2,879,107	5,692,119
At 30 June 2020	3,988,800	1	1,278,475	5,267,276

The company had no intangible fixed assets at 30 June 2021 or 30 June 2020.

14 Tangible fixed assets

Group	Leasehold improvements	Equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 July 2020	64,684	70,673	785,745	3,306,981	26,200	4,254,283
Additions	-	-	127,713	288,423	-	416,136
At 30 June 2021	64,684	70,673	913,458	3,595,404	26,200	4,670,419
Depreciation and impairment						
At 1 July 2020	29,164	52,787	544,815	1,845,960	26,200	2,498,926
Depreciation charged in the year	8,880	3,990	65,838	394,642	-	473,350
At 30 June 2021	38,044	56,777	610,653	2,240,602	26,200	2,972,276
Carrying amount						
At 30 June 2021	26,640	13,896	302,805	1,354,802	-	1,698,143
At 30 June 2020	35,520	17,886	240,930	1,461,021	-	1,755,357

The company had no tangible fixed assets at 30 June 2021 or 30 June 2020.

15 Fixed asset investments

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Investments in subsidiaries	16	-	-	7,811,007	7,811,007

Movements in fixed asset investments

Company	Shares in subsidiaries
	£
Cost or valuation	
At 1 July 2020 and 30 June 2021	7,811,007
Carrying amount	
At 30 June 2021	7,811,007
At 30 June 2020	7,811,007

16 Subsidiaries

These financial statements are consolidated group financial statements for The Unilink Group Limited.

Details of the company's subsidiaries at 30 June 2021 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct	Indirect
Unilink Software Limited	1	Ordinary	100.00	-
Unilink Technology Services Limited	1	Ordinary	-	100.00
Acante Solutions Limited	1	Ordinary	100.00	-
Fone Savvy Limited	1	Ordinary	-	100.00
Southbank IT Solutions Limited	1	Ordinary	100.00	-
Beaumont Colson Limited	1	Ordinary	100.00	-
Unilink Software BV	2	Ordinary	-	100.00
Unilink Software (Norway) AS	3	Ordinary	-	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Europoint, 5-11 Lavington Street, London, SE1 0NZ
2 Joop Geesinkweg 501 1114 AB, Amsterdam-Duivendrecht, Netherlands
3 31 1383, Asker, Viken, Norway

All of the company's subsidiaries registered in England and Wales have been included in the consolidation and taken the exemption from audit under Section 479A of the Companies Act 2006 and have been given a guarantee in accordance with the act.

The investments in subsidiaries are all stated at cost.

17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	676,930	515,093	-	-
Work in progress	39,626	39,626	-	-
	716,556	554,719	-	-

18 Debtors

Amounts falling due within one year:	Group 2021 £	2020 £	Company 2021 £	2020 £
Trade debtors	1,280,348	1,414,180	-	-
Amounts owed by group undertakings	2,773	28,829	-	-
Other debtors	101,259	526,538	31,000	31,000
Prepayments and accrued income	1,018,984	252,046	-	-
	2,403,364	2,221,593	31,000	31,000

19 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	20	-	65	-	65
Other borrowings	20	-	229,341	-	-
Trade creditors		820,648	677,946	-	-
Amounts owed to group undertakings		-	-	6,344,539	4,342,489
Corporation tax payable		22,875	22,635	-	-
Other taxation and social security		1,545,932	1,234,592	-	-
Deferred income		1,495,117	1,935,710	-	-
Other creditors		1,268,486	3,243,899	1,174,617	3,174,617
Accruals		445,498	545,684	41	-
		5,598,556	7,889,872	7,519,197	7,517,171

Included within other creditors is deferred consideration of £972,118 (2020: £2,792,118) relating to the acquisition of Beaumont Colson Limited.

20 Loans and overdrafts

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank overdrafts	-	65	-	65
Other loans	-	229,341	-	-
	-	229,406	-	65
Payable within one year	-	229,406	-	65

The Funding Circle loan that was taken out in October 2018 by one of the group's subsidiaries for an amount of £517,500 was repaid in full on 25 January 2021.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2021	Liabilities 2020
Group	£	£
Accelerated capital allowances	384,962	23,485

The company has no deferred tax assets or liabilities.

21 Deferred taxation **(Continued)**

Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 July 2020	23,485	-
Charge to profit or loss	361,477	-
Liability at 30 June 2021	384,962	-

The deferred tax provisions set out above are expected to reverse within the next five years.

22 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	459,427	174,238

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

Group and company Ordinary share capital	2021 Number	2020 Number	2021 £	2020 £
Issued and fully paid				
Ordinary Shares of 1p each	10,000,100	10,000,100	100,001	100,001
Ordinary B shares of 1p each	50,000	50,000	500	500
	10,050,100	10,050,100	100,501	100,501

The Ordinary shares have full rights to receive notice of, attend, and vote at general meetings and one share carries one vote. The ordinary shares also have full rights to dividends and capital distributions, including upon winding up.

The Ordinary B shares are not entitled to attend or vote at general meetings and are not eligible for dividends. The shares rank pari passu in all other respects of capital distributions.

24 Reserves

Share based payments reserve
The share based payments reserve represents the accumulation of liabilities in respect of the EMI share options scheme.

25 Operating lease commitments

Lessee

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	284,489	221,206	-	-
Between two and five years	836,912	511,962	-	-
In over five years	558,362	-	-	-
	1,679,763	733,168	-	-

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2021	2020
	£	£
Aggregate compensation	687,404	555,386

Other information

The group and company has taken advantage of the exemption available in paragraph 33.1A of FRS 102 whereby it has not disclosed transactions with other companies that are wholly owned within the croup.

27 Controlling party

Francis Toye, Director, is the controlling party of the company and the group.

28 Cash generated from group operations

	2021	2020
	£	£
Profit for the year after tax	1,954,656	449,383
Adjustments for:		
Taxation charged	361,477	3,082
Finance costs	8,512	25,657
Investment income	(190)	(252)
Gain on disposal of tangible fixed assets	-	(900)
Amortisation and impairment of intangible assets	1,480,777	1,480,776
Depreciation and impairment of tangible fixed assets	473,350	564,863
Equity settled share based payment expense	49,304	65,656
Movements in working capital:		
(Increase)/decrease in stocks	(161,837)	13,374
Increase in debtors	(181,771)	(92,716)
Decrease in creditors	(1,621,557)	(1,344,010)
(Decrease)/increase in deferred income	(440,593)	1,198,711
Cash generated from operations	1,922,128	2,363,624

29 Analysis of changes in net funds - group

	1 July 2020	Cash flows	Exchange rate movements	30 June 2021
	£	£	£	£
Cash at bank and in hand	2,248,956	(1,262,116)	(2,213)	984,627
Bank overdrafts	(65)	65	-	-
	2,248,891	(1,262,051)	(2,213)	984,627
Borrowings excluding overdrafts	(229,341)	229,341	-	-
	2,019,550	(1,032,710)	(2,213)	984,627