

Company Registration No. 09146214 (England and Wales)

CMAC GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



CMAC GROUP LIMITED

COMPANY INFORMATION

Directors	Mr Stephen Turner Mr Peter Slater Mr Neil Atkins Mr David Barrow Mr Denis Wormwell Mr Daniel Kennedy
Company number	09146214
Registered office	Suite 1 The Globe Centre St. James Square Accrington Lancashire BB5 0RE
Auditor	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE

CMAC GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

The CMAC Group is a leading provider of Managed Ground Transport and Accommodation, servicing its customers in the UK and across Europe.

During the year, turnover decreased by £7,598,825 to £59,734,891, this gives a 11% decrease in sales revenue. Gross margin decreased from 20.2% to 19.2%. Both the decrease in revenue and gross margin can be attributed to the impact of the COVID-19 pandemic, and the impact of lockdowns in the UK and Europe impacting certain industries in which CMAC serves.

Administrative expenses have decreased by £1,799,617 to £11,080,333 in the year as a result of reduced headcount following the integration of the acquisitions completed in earlier periods. Average head count has decreased by 46 to 214.

As a result of the above, EBITDA has decreased by £469,790 to £3,278,026, representing a 12.5% decrease. The focus of FY20 has been centred around the full integration of both UK acquisitions along with a process of streamlining the overall Group.

At the end of the year, the group had shareholders' funds of £6,164,910 (2019: £15,030,940) including distributable profits of £4,886,364 (2019: £13,808,280). The directors believe the group to be in a strong financial position with net current assets of £5,498,402 (2019: £6,889,281) and consider the group has created a great platform to achieve its strategic aims in the coming year.

Principal risks

The Group is an established market leader in its sector and has continued to expand its market share both organically and through acquisition of complementary businesses.

The principal risk facing the Group is around the economic uncertainty and recovery due to the COVID-19 pandemic. Whilst the true impact remains unknown, the directors are continually assessing the latest developments to ensure that any impact remains minimal and is managed accordingly.

Credit Risk

The Group's credit risk is primarily down to customer credit; however, this is offset by the nature of the customer base along with strong internal controls dictating that credit only extends to customers who demonstrate the appropriate financial security.

Liquidity Risk

The Group mitigates its liquidity risk through close control of cash resources and weekly monitoring of cash performance against forecast, and has ample facilities to maintain the on-going trade.

COVID-19

Despite the onset of the COVID-19 pandemic in early 2020 and the impact this has had on certain industries the Group serves, the business has maintained a positive position in the early part of 2021 due to increased activity in other sectors.

CMAC has benefited from certain travel restrictions, meaning increased levels of activity in other sectors due to the extra safety measures required. Alongside this, CMAC continues to streamline its business operation resulting in a reduced cost-base, which demonstrates CMAC's ability to flex in changing circumstances, a key reason for growth in recent years.

Through reassessment of the cost base and by utilising government schemes to preserve liquidity, the impact of COVID-19 has been reduced.

CMAC is well positioned to recover and capitalise on the changing market, whilst continuing to provide unrivalled customer service through operational excellence.

CMAC GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Development and performance

The directors believe the group will continue to trade successfully for the foreseeable future whilst developing its product range to the existing customer and supplier networks.

Key performance indicators

The directors regularly monitor performance through key performance indicators which are discussed at board meetings. Significant key performance indicators are as follows:

	2020 £	2019 £
Turnover	59,734,891	67,333,716
Gross profit	11,468,179	13,601,040
Operating profit	931,849	721,090
EBITDA	3,278,026	3,747,816
Staff numbers	222	260

Statement by the directors in performance of their statutory duties in accordance with 172(1) Companies Act 2006

The Board of Directors of CMAC Group UK Ltd, collectively and individually consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Act) in the decisions taken during the year ended 31 December 2020.

- Our plan was designed to have a long-term beneficial impact on the group and to contribute to its success in delivering a high quality of service across all of our business operations.
- Our team members are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our team members receive. The health, safety and well-being of our team members is one of our primary considerations in the way we do business.
- Engagement with suppliers and customers is key to our success. We meet with our major stakeholders regularly throughout the year and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.
- Our plan took into account the impact of the group's activity on the community and environmental impact of vehicle emissions along with our wider social responsibilities.
- As the Board of Directors, our intention is to behave responsibly and ensure that the management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan, that reflects our responsible behaviour.
- As the Board of Directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

On behalf of the board



Mr Stephen Turner

Director

Date: 17 June 2021

CMAC GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the company and group continued to be that of transport management services and people logistics.

Results and dividends

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

Ordinary dividends were paid amounting to £10,065,793 (2019: £55,378). 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:

Mr Stephen Turner
Mr Peter Slater
Mr Neil Atkins
Mr David Barrow
Mr Denis Wormwell
Mr Daniel Kennedy

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the group will be put at a General Meeting.

Energy and carbon reporting

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force on 1 April 2019, imposing new obligations for quoted and large unquoted companies, to produce an Energy and Carbon Report; the primary purpose of which is to summarises the energy usage, associated emissions, energy efficiency actions and energy performances for inclusion in the annual Directors' Report, under Section 145A of the Companies Act 2006.

Details of the companies energy consumption and emissions of CO2 equivalent are given on the following page.

CMAC GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<i>Energy consumption</i>		kWh
Aggregate of energy consumption in the year		151,045
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<i>Emissions of CO2 equivalent</i>	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	1.29	
- Fuel consumed for owned transport	44.84	
		46.13
Scope 2 - indirect emissions		
- Electricity purchased		26.66
Total gross emissions		72.79
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<i>Intensity ratio</i>		
Tonnes CO2e per full-time employee		0.3279
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Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

In measuring electricity and gas, management obtained all associated invoices (which contains usage) and converted these into carbon values. In measuring mileage, management obtained from mileage from the company vehicle online portal, which was converted using the appropriate calculations.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The Group is committed to reducing carbon emissions produced across all aspects of the business and carbon reducing measures form an integral part of the overall company strategy. To help achieve the strategy, the Group has:

- Appointed its first dedicated sustainability role
- Minimises waste and encourages an active waste management system
- Actively promotes video conferencing as a means of reducing travel
- Continues to promote environmental awareness and responsibility across all stakeholders

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 company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

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.

CMAC GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report

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.

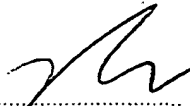
Reporting period

The comparative period financial statements presented are for a period shorter than one year. The financial statements for the comparative period were presented for a period of 11 months, so to bring the accounting reference date in line with the calendar year. Due to the comparative period financial statement being presented for a 11 month period the comparative amounts are not entirely comparable.

On behalf of the board



Mr Stephen Turner
Director



Mr David Barrow
Director

Date: 17 June 2021

CMAC GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMAC GROUP LIMITED

Opinion

We have audited the financial statements of CMAC Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMAC GROUP LIMITED (CONTINUED)

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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 directors' responsibilities statement set out on page 6, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMAC GROUP LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and the Coronavirus Job Retention Scheme. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment legislation. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations including a review of board minutes and requested sight of any other relevant correspondence in order to draw a conclusion.

The audit engagement team identified the risk of management override of controls, CJRS Furlough Income and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries, challenging judgments and estimates applied in the valuation of provisions in respect of trade receivables and impairment of intangible assets. A sample of CJRS claims were vouched to supporting documents and cash receipts. We tested a sample of CJRS calculations in respect of individual employees and reviewed correspondence prepared by the Group to employees placed on furlough to communicate in line with the government guidance. We sought explanations of controls in place to ensure employees were not undertaking any activities whilst furloughed and checked that communication was in line with the requirements of CRJS. A sample of sales around the year end were selected and the period to which they relate reviewed in line with the recognition of the sale.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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

RSM UK Audit LLP

Alastair John Richard Nuttall ACA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire, PR2 5PE

22 June 2021

CMAC GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 £	11 month period ended 31 December 2019 £
Turnover	3	59,734,891	67,333,716
Cost of sales		(48,266,712)	(53,732,676)
Gross profit		11,468,179	13,601,040
Analysis of administrative expenses:			
Administrative expenses: exceptional	4	(195,631)	(1,011,055)
Administrative expenses: non-exceptional		(10,884,702)	(11,868,895)
Administrative expenses		(11,080,333)	(12,879,950)
Other operating income	9	544,003	-
Analysis of operating profit:			
EBITDA *		3,278,026	3,747,816
Depreciation and amortisation	9	(2,150,546)	(2,015,671)
Exceptional items	4	(195,631)	(1,011,055)
Operating profit	9	931,849	721,090
Interest receivable and similar income	10	41,121	57,827
Interest payable and similar expenses	11	(83,774)	(69,330)
Profit before taxation		889,196	709,587
Tax on profit	12	210,651	(15,650)
Profit for the financial year		1,099,847	693,937
Other comprehensive income net of taxation			
Currency translation differences		44,030	(20,496)
Total comprehensive income for the year		1,143,877	673,441

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.

* Earnings Before Interest, Tax, Depreciation and Amortisation and exceptional items, calculated as profit for the financial year, adding back interest receivable, interest payable, tax on profit, depreciation, amortisation and exceptional items.

CMAC GROUP LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**


	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	14	6,501,656		6,827,625	
Negative goodwill	14	(647,382)		(1,005,261)	
Net goodwill		5,854,274		5,822,364	
Other intangible assets	14	3,689,340		4,665,020	
Total intangible assets		9,543,614		10,487,384	
Tangible assets	15	106,683		155,557	
		9,650,297		10,642,941	
Current assets					
Debtors	19	19,832,798		22,634,215	
Cash at bank and in hand		2,807,894		1,809,727	
		22,640,692		24,443,942	
Creditors: amounts falling due within one year	20	(17,142,290)		(17,554,661)	
Net current assets		5,498,402		6,889,281	
Total assets less current liabilities		15,148,699		17,532,222	
Creditors: amounts falling due after more than one year	21	(8,983,789)		(2,500,000)	
Provisions for liabilities	23	-		(1,282)	
Net assets		6,164,910		15,030,940	
Capital and reserves					
Called up share capital	25	1,465		750	
Share premium account	26	1,009,900		1,009,900	
Other reserves	26	267,181		212,010	
Profit and loss reserves	26	4,886,364		13,808,280	
Total equity		6,164,910		15,030,940	

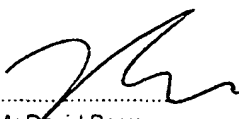
CMAC GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 17 June 2021 and are signed on its behalf by:


.....
Mr Stephen Turner
Director



.....
Mr David Barrow
Director

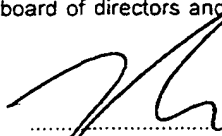
CMAC GROUP LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	14	382,187		302,881	
Tangible assets	15	2,298		7,543	
Investments	16	16,592,806		16,065,759	
		<u>16,977,291</u>		<u>16,376,183</u>	
Current assets					
Debtors	19	542,428		128,393	
Cash at bank and in hand		10,433		543,294	
		<u>552,861</u>		<u>671,687</u>	
Creditors: amounts falling due within one year	20	<u>(6,302,756)</u>		<u>(2,931,106)</u>	
Net current liabilities		<u>(5,749,895)</u>		<u>(2,259,419)</u>	
Total assets less current liabilities		<u>11,227,396</u>		<u>14,116,764</u>	
Creditors: amounts falling due after more than one year	21	(8,983,789)		(2,500,000)	
Provisions for liabilities	23	(31,466)		(1,282)	
Net assets		<u>2,212,141</u>		<u>11,615,482</u>	
Capital and reserves					
Called up share capital	25	1,465		750	
Share premium account	26	1,009,900		1,009,900	
Other reserves	26	267,181		212,010	
Profit and loss reserves	26	933,595		10,392,822	
Total equity		<u>2,212,141</u>		<u>11,615,482</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £606,566 (2019: £7,232,620).

The financial statements were approved by the board of directors and authorised for issue on 17 June 2021 and are signed on its behalf by:


Mr Stephen Turner
Director


Mr David Barrow
Director

CMAC GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 February 2019		750	1,009,900	121,964	13,190,217	14,322,831
Period ended 31 December 2019:						
Profit for the period		-	-	-	693,937	693,937
Other comprehensive income net of taxation:						
Currency translation differences		-	-	-	(20,496)	(20,496)
Total comprehensive income for the period		-	-	-	673,441	673,441
Dividends	13	-	-	-	(55,378)	(55,378)
Share based payment charge		-	-	90,046	-	90,046
Balance at 31 December 2019		750	1,009,900	212,010	13,808,280	15,030,940
Period ended 31 December 2020:						
Profit for the period		-	-	-	1,099,847	1,099,847
Other comprehensive income net of taxation:						
Currency translation differences		-	-	-	44,030	44,030
Total comprehensive income for the period		-	-	-	1,143,877	1,143,877
Issue of share capital	25	715	-	-	-	715
Dividends	13	-	-	-	(10,065,793)	(10,065,793)
Share based payment charge		-	-	55,171	-	55,171
Balance at 31 December 2020		1,465	1,009,900	267,181	4,886,364	6,164,910

CMAC GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 February 2019		750	1,009,900	121,964	3,215,580	4,348,194
Period ended 31 December 2019:						
Profit and total comprehensive income for the period		-	-	-	7,232,620	7,232,620
Dividends	13	-	-	-	(55,378)	(55,378)
Share based payment charge		-	-	90,046	-	90,046
Balance at 31 December 2019		750	1,009,900	212,010	10,392,822	11,615,482
Period ended 31 December 2020:						
Profit and total comprehensive income for the period		-	-	-	606,566	606,566
Issue of share capital	25	715	-	-	-	715
Dividends	13	-	-	-	(10,065,793)	(10,065,793)
Share based payment charge		-	-	55,171	-	55,171
Balance at 31 December 2020		1,465	1,009,900	267,181	933,595	2,212,141

CMAC GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	27	2,497,069		712,248	
Interest paid		(83,774)		(69,330)	
Income taxes refunded/(paid)		775,995		(806,400)	
Net cash inflow/(outflow) from operating activities		3,189,290		(163,482)	
Investing activities					
Purchase of business		(147,521)		(8,185,354)	
Payment of deferred consideration		-		(375,000)	
Cost of intangible assets developed		(655,364)		(882,953)	
Proceeds on disposal of intangibles		-		72,729	
Purchase of tangible fixed assets		(42,420)		(177,001)	
Proceeds on disposal of tangible fixed assets		-		70,512	
Interest received		41,121		57,827	
Net cash used in investing activities		(804,184)		(9,419,240)	
Financing activities					
Proceeds from issue of shares		715		-	
Proceeds from borrowings		8,000,000		-	
Repayment of borrowings		(321,100)		-	
Repayment of/proceeds from bank loans		(445,111)		2,500,000	
Dividends paid to equity shareholders		(10,065,793)		(55,378)	
Net cash (used in)/generated from financing activities		(2,831,289)		2,444,622	
Net decrease in cash and cash equivalents		(446,183)		(7,138,100)	
Cash and cash equivalents at beginning of year		297,507		7,435,607	
Cash and cash equivalents at end of year		(148,676)		297,507	
Relating to:					
Cash at bank and in hand		2,807,894		1,809,727	
Bank overdrafts included in creditors payable within one year		(2,956,570)		(1,512,220)	

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

CMAC Group Limited ("the company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is Suite 1, The Globe, Accrington, Lancashire, BB5 0RE.

The group financial statements at the year end date consist of CMAC Group Limited and its subsidiary undertakings listed in note 17.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 33 'Related Party Disclosures' – Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of CMAC Group Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2020. 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.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Going concern

The Board regularly reviews revenue, profitability and cash flows, across the short, medium and longer term. Due to the emergency nature of a part of the business, the company prepares a number of scenarios, based on a wide degree of assumptions and invariably adopts a prudent approach to forecasting. The assumptions which drive forecasts are reviewed in detail and challenged across the Exec and Senior Management Team.

COVID-19 has provided extra challenges in forecasting, the company continued to adopt a consistent approach in being prudent in forecasting volumes, revenues, margins and importantly, cash collection. This scenario planning was estimated to continue during Q1 and Q2 FY21, with a slow recovery, particularly in Aviation, thereafter. Whilst volumes and revenues etc. were ahead of expectations, even on a downside plan, the business is still able to meet its debts as they fall due and the Directors are satisfied that the financial statements be prepared on a going concern basis.

There is also a group-wide letter of support in place that states that each company within the group intends to financially support each group member, where necessary, to ensure that each company can meet its liabilities as they fall due for a period of at least 12 months following the date the financial statements were signed.

Reporting period

The comparative period financial statements presented are for a period shorter than one year. The financial statements for the comparative period were presented for a period of 11 months, so to bring the accounting reference date in line with the calendar year. Due to the comparative period financial statement being presented for a 11 month period the comparative amounts are not entirely comparable.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue is recognised as the services are rendered. Estimates of contract revenue is recognised to the extent of contracts costs incurred that are likely to be recoverable. If circumstances arise that change the original estimates of revenues, costs, or the degree of progress toward completion, then revisions to the estimates are made.

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.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

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 10 years.

Negative goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

The expected life used for the amortisation period is based on terms of related contracts acquired alongside the goodwill and other information available to the directors.

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.

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 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 of assets less their residual values over their useful lives on the following bases:

Software	20 - 33% straight line
Brand name	50% straight line
Customer contracts	20% straight line

Tangible fixed assets

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

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

Freehold land and buildings	1 - 10 years straight line
Fixtures and fittings	15 - 33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

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.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, and bank overdrafts.

Financial instruments

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

Financial instruments are recognised 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 trade and other debtors, amounts owed by group undertakings 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.

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.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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 trade creditors, other creditors, amounts due to group undertakings, other borrowings and bank overdrafts 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.

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

Equity instruments

Equity instruments issued by the group are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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.

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

The government grant income received during the year ended 31 December 2020 related to the government's Coronavirus Job Retention Scheme.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

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.

Goodwill and other intangibles

On calculating negative goodwill the directors have identified other intangible assets that have been separately recognised, these are customer lists, contracts and brand names.

Calculation of the fair value of these intangibles requires judgements to be made, which include estimated profit margins, discount rates and retention rates of customers.

Amortisation rates

The directors have made judgements when determining the useful economic life of goodwill and other intangible assets. Amortisation is recognised so as to write off the value of the assets over the life that economic benefit is expected to flow.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Value of share options

The share option valuation in the year was determined using the Black-Scholes option pricing model. The directors have made estimates and judgements when calculating the inputs for the valuation such as the expected life of the option, the expected volatility of the share price and the expected dividend yield.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
Provision of services	59,734,891	67,333,716
	<u>59,734,891</u>	<u>67,333,716</u>
	2020 £	2019 £
Other revenue		
Interest income	41,121	57,827
Grants received	544,003	-
	<u>585,124</u>	<u>57,827</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	57,585,455	64,852,019
Europe	2,149,436	2,481,697
	<u>59,734,891</u>	<u>67,333,716</u>

4 Exceptional costs

	2020 £	2019 £
Loss on disposal of fixed assets	-	458,289
Staff restructuring costs	195,631	306,000
Office closure costs	-	246,766
	<u>195,631</u>	<u>1,011,055</u>

The group incurred redundancy costs as a result of the centralisation of staff and the global COVID-19 pandemic.

The exceptional costs in the prior year arose from the decision to close the Birkenhead office of CMAC Cabfind Limited, a subsidiary undertaking. The group incurred redundancy costs as a result of centralisation and office closure costs such as the cost to exit the lease.

In addition, the group made a loss on disposal of tangible and intangible fixed assets that are no longer in use.

These costs are one-off in nature and as such have been classified as exceptional.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Administration	73	87	-	-
Service and delivery	138	161	-	-
Management	11	12	11	11
Total	<u>222</u>	<u>260</u>	<u>11</u>	<u>11</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	5,243,964	6,704,439	432,541	464,327
Social security costs	505,380	479,165	61,511	68,612
Pension costs	271,646	228,374	17,486	57,660
	<u>6,020,990</u>	<u>7,411,978</u>	<u>511,538</u>	<u>590,599</u>

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	302,752	366,726
Company pension contributions to defined contribution schemes	6,878	45,935
	<u>309,630</u>	<u>412,661</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

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

	2020 £	2019 £
Remuneration for qualifying services	<u>93,356</u>	<u>83,333</u>

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Share-based payment transactions Group and company	Number of share options		Weighted average exercise price	
	2020 Number	2019 Number	2020 £	2019 £
Outstanding at 1 January 2020 and 31 December 2020	33	91	636.00	578.00
Exercisable at 31 December 2020	-	-	-	-

The options outstanding at 31 December 2020 had a weighted average exercise price of £636, and remaining contractual lives ranging from 3 months to 10 months.

Group and company

The weighted average fair value of options granted was determined using the Black-Scholes option pricing model.

The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

Inputs were as follows:

	2020	2019
Weighted average share price	6,358.00	4,549.00
Weighted average exercise price	636.00	578.00
Expected volatility	24.70	24.70
Expected life	3.00	3.00
Risk free rate	0.84	0.84
Expected dividends yields	9.01	9.01

	Group 2020 £	2019 £	Company 2020 £	2019 £
Expenses recognised in the year				
Arising from equity settled share based payment transactions	55,171	90,046	-	-

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	11,750	11,750
Audit of the financial statements of the company's subsidiaries	34,550	34,000
	<u>46,300</u>	<u>45,750</u>
For other services		
Taxation compliance services	8,500	8,925
All other non-audit services	15,590	15,870
	<u>24,090</u>	<u>24,795</u>

In the current year the audit fee for CMAC Group Limited was borne by CMAC Group UK Limited.

9 Operating profit

	2020	2019
	£	£
Operating profit for the period is stated after charging/(crediting):		
Exchange losses/(gains)	21,530	(3,208)
Research and development costs	-	(81,000)
Government grants	(544,003)	-
Depreciation of owned tangible fixed assets	91,391	193,425
(Profit)/loss on disposal of tangible fixed assets	-	311,308
Amortisation of intangible assets	2,417,034	2,469,169
Release of negative goodwill	(357,879)	(646,923)
(Profit)/loss on disposal of intangible assets	-	142,917
Share-based payments	55,171	90,046
Operating lease charges	277,351	192,510

10 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	-	104
Other interest income	41,121	57,723
	<u>41,121</u>	<u>57,827</u>

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	83,774	69,330

12 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	(309,126)	119,833
Adjustments in respect of prior periods	(146,481)	(464,812)
Total current tax	(455,607)	(344,979)
Deferred tax		
Origination and reversal of timing differences	293,770	175,305
Changes in tax rates	(127,673)	-
Adjustment in respect of prior periods	78,859	185,324
Total deferred tax	244,956	360,629
Total tax (credit)/charge	(210,651)	15,650

The total tax (credit)/charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	889,196	709,587
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	168,947	134,822
Tax effect of expenses that are not deductible in determining taxable profit	187,955	402,375
Tax effect of utilisation of tax losses not previously recognised	-	198,138
Adjustments in respect of prior years	(146,481)	(464,812)
Effect of change in corporation tax rate	(127,672)	(28,890)
Research and development tax credit	(330,566)	(383,472)
Other non-reversing timing differences	(80,236)	-
Other permanent differences	6,772	(28,278)
Effect of overseas tax rates	(64,165)	-
Deferred tax adjustments in respect of prior years	78,859	185,324
Fixed asset differences	-	(17,956)
Losses surrendered for research and development tax credit refund	95,936	18,399
Taxation (credit)/charge	(210,651)	15,650

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Taxation (Continued)

The chancellor stated his intention to maintain the main rate of corporation tax at 19% from 1 April 2020. The change was substantively enacted on 11 March 2020. The deferred tax has been calculated using this rate.

13 Dividends

	2020	2019
	£	£
Recognised as distributions to equity holders:		
Final paid	10,065,793	55,378

14 Intangible fixed assets

Group	Goodwill	Negative goodwill	Software	Brand name	Customer contracts	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	7,970,716	(3,542,441)	2,237,920	245,814	6,895,393	13,807,402
Additions - internally developed	-	-	655,364	-	-	655,364
Additions - separately acquired	460,021	-	-	-	-	460,021
At 31 December 2020	8,430,737	(3,542,441)	2,893,284	245,814	6,895,393	14,922,787
Amortisation and impairment						
At 1 January 2020	1,143,091	(2,537,180)	920,048	130,635	3,663,424	3,320,018
Amortisation charged for the year	785,990	(357,879)	510,423	109,516	1,011,105	2,059,155
At 31 December 2020	1,929,081	(2,895,059)	1,430,471	240,151	4,674,529	5,379,173
Carrying amount						
At 31 December 2020	6,501,656	(647,382)	1,462,813	5,663	2,220,864	9,543,614
At 31 December 2019	6,827,625	(1,005,261)	1,317,872	115,179	3,231,969	10,487,384

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Intangible fixed assets (Continued)

Company	Software £
Cost	
At 1 January 2020	378,222
Additions - internally developed	173,670
At 31 December 2020	551,892
Amortisation and impairment	
At 1 January 2020	75,341
Amortisation charged for the year	94,364
At 31 December 2020	169,705
Carrying amount	
At 31 December 2020	382,187
At 31 December 2019	302,881

15 Tangible fixed assets

Group	Freehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2020	51,963	355,736	3,457	19,042	430,198
Additions	-	26,347	-	16,073	42,420
Disposals	-	(15,781)	(930)	-	(16,711)
Exchange adjustments	-	187	-	-	187
At 31 December 2020	51,963	366,489	2,527	35,115	456,094
Depreciation and impairment					
At 1 January 2020	51,963	214,376	1,956	6,346	274,641
Depreciation charged in the year	-	75,680	673	15,038	91,391
Eliminated in respect of disposals	-	(15,781)	(930)	-	(16,711)
Exchange adjustments	-	90	-	-	90
At 31 December 2020	51,963	274,365	1,699	21,384	349,411
Carrying amount					
At 31 December 2020	-	92,124	828	13,731	106,683
At 31 December 2019	-	141,360	1,501	12,696	155,557

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Tangible fixed assets (Continued)

Company	Fixtures and fittings £
Cost	
At 1 January 2020 and 31 December 2020	15,736
Depreciation and impairment	
At 1 January 2020	8,193
Depreciation charged in the year	5,245
At 31 December 2020	13,438
Carrying amount	
At 31 December 2020	2,298
At 31 December 2019	7,543

16 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	17	-	-	16,592,806	16,065,759

Included within additions is £460,021 in respect of Ontraccs Limited (note 18), £55,171 in respect of share options over the capital of this company granted by CMAC Group UK Limited, a subsidiary undertaking (note 7) and £11,855 in respect of legal fees not capitalised in the prior year.

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2020	16,065,759
Additions	527,047
At 31 December 2020	16,592,806
Carrying amount	
At 31 December 2020	16,592,806
At 31 December 2019	16,065,759

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
CMAC Group UK Limited	1	Transport management services	Ordinary	100.00	-
CMAC Cabfind Limited	1	Ground transport booking platform	Ordinary	100.00	-
CMAC Europe IKE	2	Transport management services	Ordinary	100.00	-
CMAC Partnership Limited	1	Dormant company	Ordinary	100.00	-
CMAC Aircinks S.L.	3	Aviation services	Ordinary	100.00	-
Cabline National Holdings Limited	1	Holding company	Ordinary	100.00	-
Cabline UK Limited	1	Taxis and private hire vehicles	Ordinary		100.00
Coach and Bus Limited	1	Other passenger land transport	Ordinary		100.00
CMAC International Ltd	1	Dormant company	Ordinary	100.00	-
Ontraccs Limited	1	Transport management services	Ordinary	100.00	-

1) Suite 1, The Globe Centre, St. James Square, Accrington, Lancashire, England, BB5 0RE.

2) 1 Patrolls, 15125 Marousi, Amarousiou, Attica, Greece.

3) Calle Barcelona, 3 Piso 2, 08401 Garnollers, Barcelona, Spain.

18 Acquisitions

On 1 November 2020 the group acquired 100% of the issued capital of Ontraccs Limited for consideration of £460,021. Ontraccs Limited at the acquisition date had no assets or liabilities.

The goodwill acquired on the acquisition of Ontraccs Limited relates to non-contractual relationships.

Ontraccs Limited contributed turnover of £44,768 and profit after tax of £11,211, to the consolidated statement of comprehensive income since acquisition.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	9,702,316	15,015,602	1,792	-
Corporation tax recoverable	743,098	1,063,486	206,175	59,286
Amounts owed by group undertakings	-	-	208,442	52,665
Other debtors	5,046,959	2,107,992	121,425	12,133
Prepayments and accrued income	3,995,191	3,855,663	4,594	4,309
	<u>19,487,564</u>	<u>22,042,743</u>	<u>542,428</u>	<u>128,393</u>
Deferred tax asset (note 23)	345,234	591,472	-	-
	<u>19,832,798</u>	<u>22,634,215</u>	<u>542,428</u>	<u>128,393</u>

Included in group short term debtors is £2,037,550 (2019: £1,458,190) relating to a loan to a related company. Interest of 1.95% per annum above LIBOR is charged on the outstanding balance.

20 Creditors: amounts falling due within one year

		Group 2020	2019	Company 2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	22	3,706,570	1,512,220	750,000	-
Trade creditors		3,167,426	4,497,220	13,375	10,816
Amounts owed to group undertakings		-	-	5,127,726	1,684,777
Other taxation and social security		2,253,416	1,287,525	17,631	28,803
Other creditors		1,206,889	2,557,949	312,500	1,125,000
Accruals and deferred income		6,807,989	7,699,747	81,524	81,710
		<u>17,142,290</u>	<u>17,554,661</u>	<u>6,302,756</u>	<u>2,931,106</u>

21 Creditors: amounts falling due after more than one year

		Group 2020	2019	Company 2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	22	1,304,889	2,500,000	1,304,889	2,500,000
Other borrowings	22	7,678,900	-	7,678,900	-
		<u>8,983,789</u>	<u>2,500,000</u>	<u>8,983,789</u>	<u>2,500,000</u>

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

22 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	2,054,889	2,500,000	2,054,889	2,500,000
Bank overdrafts	2,956,570	1,512,220	-	-
Other loans	7,678,900	-	7,678,900	-
	<u>12,690,359</u>	<u>4,012,220</u>	<u>9,733,789</u>	<u>2,500,000</u>
Payable within one year	3,706,570	1,512,220	750,000	-
Payable after one year	<u>8,983,789</u>	<u>2,500,000</u>	<u>8,983,789</u>	<u>2,500,000</u>

Overdrafts are secured by fixed and floating charges containing a negative pledge over all the property and assets of the group.

The bank loan totalling £2,054,889 (2019: £2,500,000) is secured via a cross company guarantee, between CMAC Group Limited and CMAC Cabfind Limited.

Other loans relate to amounts owed to a company related by common control. The loan is not interest bearing.

23 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

Group	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	-	1,282	(48,801)	4,313
Tax losses	-	-	808,248	1,161,057
Other short-term timing differences	-	-	30,856	-
Fair value adjustments on acquisitions	-	-	(445,069)	(573,898)
	<u>-</u>	<u>1,282</u>	<u>345,234</u>	<u>591,472</u>
Company	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	45,379	1,282	-	-
Tax losses	(13,913)	-	-	-
	<u>31,466</u>	<u>1,282</u>	<u>-</u>	<u>-</u>

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

23 Deferred taxation (Continued)

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability/(Asset) at 1 January 2020	(590,190)	1,282
Charge to profit or loss	244,956	30,184
Liability/(Asset) at 31 December 2020	<u>(345,234)</u>	<u>31,466</u>

24 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>271,646</u>	<u>228,374</u>

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.

Included within other creditors at the year end were contributions totalling £nil (2019: £53) payable to the scheme.

25 Share capital

	Group and Company			
	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
'A' Ordinary of £1 each	476	666	476	666
'B' Ordinary of £1 each	33	33	33	33
'C' Ordinary of £1 each	51	51	51	51
'D' Ordinary of £1 each	190	-	190	-
'E' Ordinary of £1 each	715	-	715	-
	<u>1,465</u>	<u>750</u>	<u>1,465</u>	<u>750</u>

On 18 March 2020, 190 'A' Ordinary shares with a par value of £1 each were re-designated as 'D' Ordinary shares with a par value of £1 each.

On 10 April 2020, the company issued 715 'E' Ordinary shares at a par value of £1 each.

All shares rank pari passu.

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

26 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Other reserves

The other reserve is a share-based payment reserve relating to the equity-settled share options in place at the year end.

Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

27 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	1,099,847	693,937
Adjustments for:		
Taxation (credited)/charged	(210,651)	15,650
Finance costs	83,774	69,330
Investment income	(41,121)	(57,827)
(Gain)/loss on disposal of tangible fixed assets	-	311,308
(Gain)/loss on disposal of intangible assets	-	142,917
Amortisation and impairment of intangible assets	2,059,155	1,822,246
Depreciation and impairment of tangible fixed assets	91,391	193,425
Foreign exchange gains on cash equivalents	43,933	-
Equity settled share based payment expense	55,171	-
Other non-cash movements	-	69,624
Movements in working capital:		
Decrease/(increase) in debtors	2,234,791	(5,027,271)
(Decrease)/increase in creditors	(2,919,221)	2,478,909
Cash generated from operations	2,497,069	712,248

28 Analysis of changes in net debt - group

	1 January 2020 £	Cash flows £	Exchange rate movements £	31 December 2020 £
Cash at bank and in hand	1,809,727	1,042,100	(43,933)	2,807,894
Bank overdrafts	(1,512,220)	(1,444,350)	-	(2,956,570)
	<u>297,507</u>	<u>(402,250)</u>	<u>(43,933)</u>	<u>(148,676)</u>
Borrowings excluding overdrafts	(2,500,000)	(7,233,789)	-	(9,733,789)
	<u>(2,202,493)</u>	<u>(7,636,039)</u>	<u>(43,933)</u>	<u>(9,882,465)</u>

CMAC GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

29 Financial commitments, guarantees and contingent liabilities

The company has provided a cross guarantee to the bank for companies under common control. The guarantee to which this company was party to at the year end totalled £2,956,570 (2019: £1,512,220), of which £nil (2019: £nil) was included in the balance sheet of this company.

30 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 2020 £	2019 £	Company 2020 £	2019 £
Within one year	270,395	44,224	-	-
Between one and five years	72,338	6,817	-	-
	<u>342,733</u>	<u>51,041</u>	<u>-</u>	<u>-</u>

31 Related party transactions

At the year end, the group was owed £2,037,550 (2019: £1,458,190) and the company was owed £100,000 (2019: £nil) from a company under common control. Interest of £41,121 (2019: £64,664) was charged on the amounts owed to the group, the interest was charged at a commercial rate.

During the year a related party in which a director had a controlling interest provided services totalling £nil (2019: £5,588,988) and purchased services totalling £1,982 (2019: £2,437,066). The balance included within debtors at the year end was £4,098 (2019: £137,215).

During the year, the group remunerated close family members of the directors £253,498 (2019: £276,266).

During the year, the group paid directors of the group dividends totalling £65,793 (2019: £55,378).

During the year, the group paid a company related by common ownership dividends totalling £10,000,000 (2019: £nil). At the year end, the group owed this company £7,678,900 (2019: £nil).

The company has provided a cross guarantee to the bank for a company under common control.

32 Controlling party

The controlling party at the year end was Mr Stephen Turner by virtue of his majority shareholding.