

CANDIDATE ID LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR



CANDIDATE ID LIMITED

CONTENTS

	Page
Group profit and loss account	1
Group balance sheet	2 - 3
Company balance sheet	4 - 5
Notes to the financial statements	6 - 16

CANDIDATE ID LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Turnover	600,604	905,592
Cost of sales	(66,448)	(79,765)
Gross profit	534,156	825,827
Administrative expenses	(1,268,718)	(1,544,803)
Other operating income	52,595	86,181
Operating loss	(681,967)	(632,795)
Analysed as:		
Earnings before interest, tax, depreciation and amortisation	(465,916)	(439,211)
Depreciation	(2,900)	(2,672)
Amortisation	(213,151)	(190,912)
	(681,967)	(632,795)
Interest receivable and similar income	241	7
Interest payable and similar expenses	(145)	(5,248)
Loss before taxation	(681,871)	(638,036)
Tax on loss	55,873	2,039
Loss for the financial year	(625,998)	(635,997)

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

CANDIDATE ID LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Total intangible assets	3	1,569,917		1,771,245	
Tangible assets	4	2,002		5,410	
		<u>1,571,919</u>		<u>1,776,655</u>	
Current assets					
Debtors	7	93,056		187,198	
Cash at bank and in hand		378,465		172,043	
		<u>471,521</u>		<u>359,241</u>	
Creditors: amounts falling due within one year	8	<u>(174,879)</u>		<u>(283,966)</u>	
Net current assets			296,642		75,275
Total assets less current liabilities			<u>1,868,561</u>		<u>1,851,930</u>
Creditors: amounts falling due after more than one year	9		(68,644)		(94,383)
Net assets			<u>1,799,917</u>		<u>1,757,547</u>
Capital and reserves					
Called up share capital	11		63		52
Share premium account	12		1,544,404		876,047
Other reserves	13		1,688,841		1,688,841
Profit and loss reserves			(1,433,391)		(807,393)
Total equity			<u>1,799,917</u>		<u>1,757,547</u>

For the financial year ended 31 December 2020 the group was entitled to exemption from audit under section 477 of the Companies Act 2006.

Directors' responsibilities under the Companies Act 2006:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.


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

CANDIDATE ID LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on Sep 2, 2021 and are signed on its behalf by:


Adam Gordon (Sep 2, 2021 12:54 GMT+1)

Mr A Gordon
Director

CANDIDATE ID LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Total intangible assets	3		92,909		151,301
Tangible assets	4		2,002		5,071
Investments	5		60		23
			<u>94,971</u>		<u>156,395</u>
Current assets					
Debtors	7	389,422		364,190	
Cash at bank and in hand		378,465		172,043	
		<u>767,887</u>		<u>536,233</u>	
Creditors: amounts falling due within one year	8	(193,210)		(201,169)	
Net current assets			<u>574,677</u>		<u>335,064</u>
Total assets less current liabilities			<u>669,648</u>		<u>491,459</u>
Creditors: amounts falling due after more than one year	9		(68,644)		(395,658)
Net assets			<u><u>601,004</u></u>		<u><u>95,801</u></u>
Capital and reserves					
Called up share capital	11		63		52
Share premium account	12		1,544,404		876,047
Profit and loss reserves			(943,463)		(780,298)
Total equity			<u><u>601,004</u></u>		<u><u>95,801</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £163,165 (2019 - £641,029 loss).

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.


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

CANDIDATE ID LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on Sep 2, 2021.....
and are signed on its behalf by:


Adam Gordon (Sep 2, 2021 12:54 GMT+1)

Mr A Gordon
Director

Company Registration No. SC516384

CANDIDATE ID LIMITED

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

1 Accounting policies

Company information

Candidate ID Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is Oswald Chambers, 4th Floor, 5 Oswald Street, GLASGOW, G1 4QR.

The group consists of Candidate ID 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.2 Basis of consolidation

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 are accounted for at cost less impairment.

The consolidated group financial statements consist of the financial statements of the parent company Candidate ID 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 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.

1.3 Going concern

In common with most businesses, the group is facing potential issues in respect of the COVID-19 pandemic. This is an ongoing situation and the group is adopting a strategy to manage the ever-changing situation as effectively as possible.

The directors are satisfied that these events do not affect the group's ability to continue as a going concern and this basis is appropriate for the preparation of the accounts.

CANDIDATE ID LIMITED

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

1 Accounting policies

(Continued)

1.4 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

1.5 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.

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

Development costs	33% straight line
-------------------	-------------------

1.7 Tangible fixed assets

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

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

Fixtures and fittings	33% on cost
Plant and machinery	33% 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 recognised in the profit and loss account.

1.8 Fixed asset investments

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

CANDIDATE ID LIMITED

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

1 Accounting policies

(Continued)

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.

1.9 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.10 Cash at bank and in hand

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.

1.11 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 balance sheet 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CANDIDATE ID LIMITED

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

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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.

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.

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, including creditors, bank loans and loans from fellow group companies, 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.

1.12 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.

1.13 Taxation

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

Current tax

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

CANDIDATE ID LIMITED

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

1 Accounting policies

(Continued)

Deferred tax

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

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

1.14 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.

1.15 Retirement benefits

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

1.16 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. If material 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.

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.

1.17 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.

CANDIDATE ID LIMITED

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

1 Accounting policies

(Continued)

1.18 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.

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.

1.19 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 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Total employees	15	11	12	6

3 Intangible fixed assets

Group	Goodwill £	Development costs £	Total £
Cost			
At 1 January 2020	1,905,816	204,415	2,110,231
Additions	-	11,823	11,823
At 31 December 2020	1,905,816	216,238	2,122,054
Amortisation and impairment			
At 1 January 2020	285,872	53,114	338,986
Amortisation charged for the year	142,936	70,215	213,151
At 31 December 2020	428,808	123,329	552,137
Carrying amount			
At 31 December 2020	1,477,008	92,909	1,569,917
At 31 December 2019	1,619,944	151,301	1,771,245

CANDIDATE ID LIMITED

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

3 Intangible fixed assets

(Continued)

Company	Development costs £
Cost	
At 1 January 2020	204,415
Additions	11,823
	<hr/>
At 31 December 2020	216,238
	<hr/>
Amortisation and impairment	
At 1 January 2020	53,114
Amortisation charged for the year	70,215
	<hr/>
At 31 December 2020	123,329
	<hr/>
Carrying amount	
At 31 December 2020	92,909
	<hr/>
At 31 December 2019	151,301
	<hr/>

4 Tangible fixed assets

Group	Plant and machinery etc £
Cost	
At 1 January 2020	20,298
Additions	158
Disposals	(666)
	<hr/>
At 31 December 2020	19,790
	<hr/>
Depreciation and impairment	
At 1 January 2020	14,888
Depreciation charged in the year	2,900
	<hr/>
At 31 December 2020	17,788
	<hr/>
Carrying amount	
At 31 December 2020	2,002
	<hr/>
At 31 December 2019	5,410
	<hr/>

CANDIDATE ID LIMITED

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

4 Tangible fixed assets		(Continued)
Company	Plant and machinery etc	
		£
Cost		
At 1 January 2020		8,202
Additions		158
Disposals		(327)
		<u>8,033</u>
At 31 December 2020		
Depreciation and impairment		
At 1 January 2020		3,131
Depreciation charged in the year		2,900
		<u>6,031</u>
At 31 December 2020		
Carrying amount		
At 31 December 2020		<u>2,002</u>
At 31 December 2019		<u>5,071</u>

5 Fixed asset investments		2020	2019
		£	£
Investments		<u>60</u>	<u>23</u>

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2020	23
Additions	37
	<u>60</u>
At 31 December 2020	
Carrying amount	
At 31 December 2020	<u>60</u>
At 31 December 2019	<u>23</u>

CANDIDATE ID LIMITED

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

6 Subsidiaries

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

Name of undertaking	Registered office	Class of shares held	% Held Direct
Social Media Search Limited	107-111 Fleet Street, London, England, EC4A 2AD	Ordinary shares	100.00
McRae & Company Limited	200 Wilton Street, Glasgow, G20 6BL	Ordinary shares	100.00
Adam Gordon Limited	180 Nithsdale Road, Glasgow, G41 5RH	Ordinary shares	100.00

7 Debtors

	Group 2020	2019	Company 2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	73,118	140,649	65,919	113,449
Corporation tax recoverable	-	17,434	-	12,358
Amounts owed by group	-	-	303,665	232,070
Other debtors	19,938	29,115	19,838	6,313
	<u>93,056</u>	<u>187,198</u>	<u>389,422</u>	<u>364,190</u>

8 Creditors: amounts falling due within one year

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Bank loans and overdrafts	16,356	63,704	16,356	49,132
Trade creditors	8,830	12,913	8,830	10,369
Amounts owed to group undertakings	-	-	83,954	-
Taxation and social security	42,018	44,142	42,018	44,142
Other creditors	107,675	163,207	42,052	97,526
	<u>174,879</u>	<u>283,966</u>	<u>193,210</u>	<u>201,169</u>

9 Creditors: amounts falling due after more than one year

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Bank loans and overdrafts	68,644	30,000	68,644	30,000
Other creditors	-	64,383	-	365,658
	<u>68,644</u>	<u>94,383</u>	<u>68,644</u>	<u>395,658</u>

The bank loans are secured against assets of the group and company. At 31 December 2020, the secured liabilities were £85,000 (2019: £79,131).

CANDIDATE ID LIMITED

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

10 Share-based payment transactions

In 2020 the company has issued the following share options to employees/directors:

Group and company	Number of share options		Weighted average exercise price	
	2020 Number	2019 as restated Number	2020 £	2019 as restated £
Outstanding at 1 January 2020	286,900	-	0.20	-
Granted	360,792	286,900	0.20	0.20
Forfeited	(82,700)	-	0.20	-
Outstanding at 31 December 2020	564,992	286,900	0.20	0.20
Exercisable at 31 December 2020	564,992	286,900	0.20	0.20

Group and company

The weighted average fair value of options granted in the year 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.

The share options are a mix of equity-settled EMI and unapproved options and have a maximum term of 5 years. The options are able to be exercised at any time from the date they are granted.

During the year and the previous year, the company did not recognise any share-based payment expenses which related to equity settled share based payment transactions through the profit and loss account as they were deemed to be immaterial.

11 Share capital

	Group and company	
	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
6,280,036 (2019: 5,175,713) Ordinary shares of 0.001p each	63	52

CANDIDATE ID LIMITED

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

12 Share premium account

	Group 2020 £	2019 £	Company 2020 £	2019 £
At beginning of year	876,047	-	876,047	-
Issue of new shares	703,132	876,047	703,132	876,047
Share issue expenses	(34,775)	-	(34,775)	-
At end of year	<u>1,544,404</u>	<u>876,047</u>	<u>1,544,404</u>	<u>876,047</u>

13 Other reserves

Other reserves consist of the difference arising, on a business combination, between the fair values at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed plus directly attributable costs and the carrying value of the assets and liabilities acquired.

14 Financial commitments, guarantees and contingent liabilities

An historic agreement with Norman Broadbent Plc to purchase shares in Social Media Search Limited was dependent on agreeing to a 10% share of profits for a period of 5 years. The group has accrued one year's profit into this year's accounts. As the group is unable to forecast the profits of the next four years no liability has been accrued in the year end accounts.

Furthermore the group is due to pay an additional consideration if the group decides to sell the shares within the next five years. An appropriate calculation has been agreed between both parties and will be based on the amount paid for the shares. As the group is unable to determine a future selling price, no liability has been accrued in the year end accounts.

15 Events after the reporting date

933,458 A Ordinary shares of 0.001p each were issued after the balance sheet date for total consideration of £764,131.

In common with most businesses, the group is facing potential issues in respect of the COVID-19 pandemic. This is an ongoing situation and the group is adopting a strategy to manage the ever-changing situation as effectively as possible.

16 Related party transactions

The company has taken advantage of disclosure exemptions available under section 33 of FRS 102 whereby it has not disclosed transactions entered into with any wholly-owned subsidiary of the group.