ULS Technology plc

("ULS", the "Group" or the "Company")

Final Results

Robust performance and primed for growth

ULS Technology plc (AIM: ULS), the provider of online B2B platforms for the UK conveyancing and financial intermediary markets, announces its Full Year results for the 12-month period to 31 March 2021 (“the Period”).

The Period was transformational for the Company. It completed the disposal of Conveyancing Alliance Limited (“CAL”) for £27.4m and appointed Jesper With-Fogstrup as its new CEO, with the Company focusing on investing in its digital platform aimed at revolutionising home moving and ownership.

Financial Highlights

Continuing Operations

- Revenue £16.9m (FY 2020: £20.7m), reflecting the COVID impact and market standstill in the first two months of the period and slower pick up of the first-time buyer market
- Gross profit £6.9m (FY 2020: £8.7m)
- Underlying EBITDA[1] £0.4m (FY 2020: £3.5m)
- Underlying loss before tax[1] £0.8m (FY 2020: £2.4m profit) reflecting market dynamics and increased investment strategy
- Reported loss before tax £2.4m (FY 2020: £2.1m profit)

Total Operations

- Disposal of CAL for £27.4m
    - Proceeds enabling the Company to repay all debts whilst providing funds to continue investment in people, innovation and services and accelerate the roll out of DigitalMove
- Profit on disposal of CAL £18.1 million
- Net cash/(debt) £24.0m (FY 2020: (£3.4m))

[1] before exceptional items and amortisation of intangibles arising on consolidation

Operating Highlights

- Continued investment in development of DigitalMove, which has now handled more than 50,000 cases
- Growth of broker channel with a 21% increase in the number of active users to 1,998 from 1,653 at the end of FY 2020
- Conveyancing completions in the second half of the Period were 18,667 compared to 15,100 in the first half
- Strategic reorganisation with Jesper With-Fogstrup joining as CEO in January 2021 and a number of new senior hires
- Move to a cloud based third party environment to speed up the roll-out of the DigitalMove roadmap

Board Changes

- Jesper With-Fogstrup replaced Steve Goodall as Chief Executive
  - Bringing over 20 years' experience within digital and technology businesses
- Post Period-end Andrew Weston resigned from the Board but continues working for the Group in a part-time advisory capacity

Post Period End Highlights

- Agreed a partnership with MPowered Mortgages to provide an integrated panel management service
  - Building on partnerships with Principality Building Society, Hodge, Habito and Foundation Home Loans
- Ed Mardell joined as Chief Technology Officer and Simon McCulloch as Chief Commercial and Growth Officer
  - Adding strong skills and experience to the team to deliver the mission of making home buying, selling and owning a better experience

Jesper With-Fogstrup, Chief Executive of ULS Technology plc, commented: *"While the beginning of the period was dominated by the effective shutdown of the housing market caused by the Covid-19 pandemic, we have since benefited from a rapid pick up – especially during the second half as lockdown restrictions eased.*

"We are well placed to build on the continuing momentum coming out of the second half of last year and we expect to benefit from increasing demand and growing number of completions as the current year progresses. We believe that by further growing routes to market for eConveyancer as well as developing our product suite with substantial investment in DigitalMove, there is significant opportunity to enhance the home moving process and drive scale. This is a pivotal period for the business as we look to invest in our proposition and generate strong returns for shareholders."

Enquiries:

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

About ULS Technology:

ULS Technology (https://www.ulstechnology.com) was admitted to AIM in July 2014. Its mission is to make the home-moving process better for everyone. To date this has mainly been achieved by presenting the consumer, primarily via introducers, with a range of quality conveyancers to choose from at competitive prices via easy-to-use technology.

ULS is now going a step further, helping consumers by making it easier to buy, sell and own a home through the leading DigitalMove property platform (https://digitalmove.co.uk).

Chairman's statement

There's no escaping the impact of COVID-19 over the past year. The pandemic has caused all sorts of difficulties and challenges to our everyday lives, and consumers looking to buy, sell or remortgage their homes have not been exempt from that. Indeed, the process of purchasing a property or even simply remortgaging has inevitably been complicated because of the pandemic.

Which is why it's been so encouraging to see the way that the teams at ULS technology have been able to support those consumers and home movers, putting digital solutions like DigitalMove to excellent use, making it easier and simpler for people to move home or refinance. This has not only helped consumers complete those home moves during the challenges of a pandemic, but has established the ways that these processes can be carried out in a convenient, more transparent and more efficient fashion as a semblance of normality gradually returns to the way that we live our lives.

Looking forward, this is a trend that we at ULS technology will not only continue but accelerate. We will use our rapidly growing digital experience to design, develop and acquire digital solutions that can benefit the entire value chain and we have a clear mission to revolutionise the home buying, selling and owning experience. In the coming financial year, we will increase our investment in the development of new technology and the utilisation of powerful data driven automation to reach and benefit an increasing number of consumers. This approach will open up new opportunities and new potential revenue streams, not just from home buying and selling, but also home ownership.

Strong financial position

Despite the difficulties of the last year, ULS technology is in a strong financial position. The sale of Conveyancing Alliance Limited for £27.3m back in November 2020 with a net profit of £18.1m was significant and the main component of the IFRS net profit of £17.4m. The price received for CAL represented a good return on the original £12.5m paid for the business and a multiple of 11.4 times FY20 profit before tax. The sale ensured that everyone at ULS was united in our desire to disrupt and transform the home moving process through a seamless digital journey, with the proceeds raised from the sale not only repaying all existing debts but also providing the funding for us to continue to invest in both people and innovation across the business, putting us in a much stronger position today than we were 12 months ago.

The underlying loss before tax on continuing operations was £0.8m against a profit in the previous year, with IFRS operating profit on continuing operations coming in at a loss of £2.4m , which reflects the challenges COVID had on our core first-time buyer market which was heavily impacted as well as our lender channel. It also reflects that we have been increasing our operating spend on DigitalMove and haven't let any uncertainties caused by the pandemic to deflect us from our plan.

Investing in our priorities

Our strategy of continued investment in people and innovation influenced our decisions throughout the last year and it will continue to guide the way we operate in the future. For example, we continued to engage with our clients, even in the quietest of times, to talk about how they were getting on and if there was anything we could help with. We also held regular virtual roundtables to keep our law firms engaged, and this has become an invaluable channel for communication and collaboration.

We also committed to supporting our staff. Setting them up with the right technology was a prerequisite. We went a step further by putting a support framework in place to help them through this potentially isolating period. We also provided practical support to staff members who have needed to home school their children, such as switching them from a service role to an admin role if this would make things easier for them, and we have distributed regular wellbeing newsletters where people have shared their experiences and tips.

Taking the market forward
This continued investment in people has enabled ULS technology to continue to deliver new services and innovations to the market.

We continued to develop and enhance DigitalMove, which has now been used to process more than 50,000 home moves and is already delivering on its promise to revolutionise the home buying and selling process, and we will continue to develop and deliver an enhanced experience for consumers. We continued to develop our digital Rapid Remortgage proposition, which speeds the process of refinancing and we launched a digital will service to make it more accessible for people to make cautionary plans for the future. We have introduced language preferences to eConveyancer that make our collateral available in 45 different languages.

Throughout 2020 we maintained an adherence to delivering high standards and continuity to our consumers and customers, as well as maintaining our commitment to quality. Our panel has been managed to ensure that we can satisfy demand without compelling firms to take cases that they don't feel comfortable taking. And despite the considerable pressures of the last year, we have refused to bring low-quality firms onboard to build capacity, sticking to our ethos of only offering high quality, reputable solicitors.

Board changes
We have also welcomed our new CEO, Jesper With-Fogstrup.

Jesper joined from HSBC, where he held the role of Global Head of Digital as a Channel and he boasts more than two decades of experience within digital businesses, including a spell as chief operating officer at the leading price comparison site CompareTheMarket. In the few months that Jesper has been with ULS technology, we have seen him energise the team, united behind his passionate desire to make the process of moving or owning a home an easier, less stressful and more transparent process, with a commitment to developing new ways to improve the experience for home movers and remortgage consumers through digital channels and innovation.

I'd like to thank Steve Goodall, our previous CEO, and Andrew Weston, our co-founder and outgoing innovation director for their hard work and commitment over the years. The foundation they helped to build, combined with our forward-thinking approach, have allowed us to deliver strong results in what has been a challenging year for everyone and it's this approach that will form the foundation for our future growth and success.

Outlook
The housing market is currently in a fluctuating state. We saw a surge in completions as we approached the first stamp duty deadline at the end of June and expect to see something similar at the end of September. Rising house prices and shortage of supply continue to make it difficult for first-time buyers which is a key market for us. At the same time potential buyers have been able to save more quickly towards deposits, higher LTVs are becoming available and the new Help to Buy scheme should also help. Our lender channel isn't yet back to pre-COVID levels due to a shift towards more remote appointments at the lenders and it taking time to adapt to new working practices. We are expecting to see a growth in the remortgage market in the coming months with interest rates low and recent house prices rises

meaning many home owners now have more equity in their homes. This higher equity can unlock better rate deals for the home owner or give them the opportunity to release some of that equity.

We will continue to develop and evolve DigitalMove, creating specific solutions for targeted market sectors and generating additional revenues for the Group. We will keep the consumer at the centre of our thinking at all times as make the process of moving home more efficient and a better experience for everyone.

Martin Rowland
Chairman
ULS Technology plc
09 July 2021

Chief Executive's statement

A global pandemic has certainly provided a challenging backdrop for my first few months at ULS technology, but it has been clear from the off that everyone across the business is committed to our shared vision of delivering a more satisfying experience to homebuyers and sellers.

It was that opportunity, to improve the customer experience, to transform the process of buying, selling and owning a home, that was behind my excitement in joining ULS technology. All too often those involved in a property purchase don't have the first idea what conveyancing actually is, nor why it's such a crucial element of the transaction. Because they don't really understand what they are paying for, the entire experience of conveyancing is a less than satisfying one.

Yet at ULS technology we have all the key elements, and are perfectly placed, to change all of that and not only demystify the process but make it more efficient to boot.

I confess, there was some apprehension initially about how those within the industry, and even within the ULS team, might be to the idea of doing things differently, in order to deliver a better experience to homeowners, movers and remortgage consumers. There will always be those who are content with the way things are, and so are resistant to change.

It's been a welcome surprise to see just how strong the desire is, internally and externally, to grasp this opportunity and adopt a fresh approach. It's evident that as an industry there is a real desire to take a more consumer-focused outlook, and provide a level of service that fits with people who are following their dreams with their property purchase. We are focusing on this opportunity to remove friction and speed up the moving process, enabling consumers to progress from dreaming of, to living in their new home.

Improving transparency

One of the driving factors in why home moving conveyancing, is confusing to homebuyers, sellers and owners is that they simply do not know what it really involves. As a result, the first step towards improving that experience has to be making home moving as a whole far more transparent.

It's easy to forget that buying and selling a property is not something people do on a regular basis, and so as a result they can find conveyancing an alien concept, struggling to grasp why it's important to them and what a conveyancer actually does. By improving the transparency, clients have a far greater understanding of the role of conveyancing, removing not only the mystique but also some of the stress that inevitably follows, while it will also lead to a more efficient process as avoidable delays are cut out.

We have already made fantastic progress on this front, not least through the successful launch of the DigitalMove platform. The reception this has had from both consumers, and those who introduced them to eConveyancer, is a great demonstration of how receptive people are to this transparency, and the confidence it provides them. We have proven the concept, now we have a platform to build on this, making the process of buying, selling or owning a home easier, less stressful and more transparent. In delivering this, we will build the trust of consumers and open up new opportunities to help them achieve a better experience in home ownership with optimised cross-selling that delivers cost effective access to the services they need, when they need them.

Supporting staff

I would also like to pay tribute to the incredible efforts made by colleagues to support the business during this unprecedented year. Getting the fundamentals right, like putting the appropriate technology in place to help colleagues work efficiently from home, ensured that our customers and consumers at large saw little to no impact on their own experience of dealing with us. Just as important were the wide-ranging measures put in place to support individual members of the team who may be isolated, or trying to combine their normal working day with the challenges of suddenly finding themselves teachers to their children.

While we are determined to identify digital solutions to the various challenges faced by the conveyancing market, our successes are ultimately built on individuals, and across the Group we remain committed to supporting our colleagues, each other, no matter what unexpected challenges may present themselves.

The post-pandemic world

The pandemic has caused all of us to take a step back and reconsider our priorities, not just how we want to spend our working week, but where we want to be too.

For many, the old world of a traditional nine-to-five where they live within a short commute of the office is no longer an appealing prospect. Instead, the last year has shown that a different balance is possible, where some if not all of the working week is spent at home rather than in an office. It's no coincidence that demand - and with it the cost - of properties in more rural and coastal areas has rocketed over the last 12 months.

By reducing the stress and anxiety that is so often part of a property move, we can help people to follow their dreams and pursue those moves that will deliver the standard of life they aspire to. With DigitalMove, we have already made a positive start but there is far more to come. This is just the first iteration of DigitalMove and we are accelerating our investment in technology to deliver a truly digital customer experience. We are also creating stronger relationships with an increasing number of B2B partners and stakeholders, developing new ground-breaking technology for conveyancers and identifying other opportunities to add value in the home buying process.

I am moved by the passion, desire and drive of our team, partners and the broader industry to revolutionise the home buying, selling and owning experience. The opportunity to make the process remarkably better for consumers, more efficient for conveyancers and solicitors, and improve the value of ULS is truly exciting.

Jesper With-Fogstrup
Chief Executive Officer
ULS Technology plc
09 July 2021

Financial review

Summary

Continuing operations

- Revenue £16.9 million (2020: £20.7 million).
- Gross margin £6.9 million (2020: £8.7 million).
- Underlying EBITDA £0.4 million (2020: £3.5 million)
- Underlying PBT £(0.8) million (2020: £2.4 million).
- Reported PBT £(2.4) million (2020: £2.1 million).

Total operations

- Profit on disposal of CAL £18.1 million
- Profit for the financial year attributable to the Group's equity shareholders
- £17.4 million (2019: £3.3 million).
- Net cash/(debt) £24.0 million (2020: £(3.4) million).

Results

Whilst the major event affecting the country and the world was COVID-19, the biggest impact on our total profitability was the sale of CAL. Whilst CAL, which provides an effective but simple conveyancing comparison site to individual mortgage brokers, contributed significantly to the Group's profits, it was felt that it did not support the Group's vision. In contrast, eConveyancer's technology and B2B relationships provide a more comprehensive conveyancing panel management service to large mortgage broker networks, and to mainstream and specialist lenders. This creates a number of touch points with homebuyers and home owners which is a core part of the Group's strategy and its DigitalMove proposition. Therefore it was decided by the Board that the cash generated by the sale of CAL could be strategically better employed accelerating the development and roll-out of DigitalMove. This means that while the substantial profit in the accounts relating to sale doesn't relate to continuing operations, the funds generated will be used to generate future growth and profits.

Profitability for continuing operations fell moving in to a loss. This was partially due to COVID-19 as although the housing market recovered it wasn't sufficient to completely make up for the drop in business in the first few months of the period. The housing market recovery was largely home-mover driven and eConveyancer is strongly weighted towards first-time buyers where the recovery was less pronounced, with tighter lending conditions for those without the large deposits that equity in an existing home tends to give you. Additionally, we continued to increase our spending on DigitalMove in the knowledge that this would impact profitability in the short-term and this is reflected in the increase in administration costs. This will continue to be the case and will be accelerated using the funds provided by the sale of CAL.

There is an exceptional item of £1.5m relating to the writing down of an intangible asset and this impacted Reported PBT. This relates to moving DigitalMove to a low code/no code environment.

Within continuing operations eConveyancer is currently the main revenue generating proposition. Whilst it is not separately accounted for and is not a separate CGU, the Board estimates that it would still have made a substantial positive contribution to the profitability of the group, albeit down on the prior year.

Key performance indicators

Continuing Operations	2021	2020
Instructions	55,092	62,225
Completions	33,767	42,433

The non-financial KPIs correlate closely to the financial ones for continuing operations. The fall in numbers is due to the market shifting away from the Group's strong area of first-time buyers and towards the home-mover with the stamp duty holiday acting as a temporary stimulus while, at the same time, a lot of low deposit mortgages disappeared from the market making it harder for first-time buyers. We expect this shift to reverse over the coming period as the stamp duty holiday expires and mortgage borrowing for first-time buyers gets easier aided by the government-backed 5% deposit scheme. In the longer term, we expect our DigitalMove strategy to give us a bigger footprint in the home-mover market.

Shares and dividends

No dividend was paid in the year. As the company is pursuing a growth strategy, the Board is not recommending a final dividend be paid.

No new shares were issued in the year.

Sale of Conveyancing Alliance Holdings Limited

On 27 November 2020, the Group sold the entire share capital of Conveyancing Alliance Holdings Limited and its wholly owned subsidiary, Conveyancing Alliance Limited. This was for a total upfront cash consideration of £27.4 million before transaction costs. An amount of cash for working capital was left in the business. There is no deferred consideration.

Cash and debt

The Group significantly enhanced its cash position during the year:

- Sale of CAL for £26.4m net cash
- Repayment of HSBC loans and RCF in full of £5.75m leaving the business debt free; and
- Significant year-end positive cash balance of £24.0m

At the beginning of the period, with the first lockdown having just started, the Group took a number of measures to preserve cash which we outlined in last year's report. Since then, the housing market has recovered more quickly than expected and we sold CAL, enabling us to clear all debt facilities and maintain significant cash balances.

We have spread the cash balance across three high street banks although interest earning opportunities are limited. Of these funds, we have been able to place £5m in a 'Green' notice account.

Non-IFRS profit measures

Whilst we give due prominence to the IFRS measures of profit, we feel it is useful to show some non-IFRS measures which the Board look at on a regular basis them to help them evaluate the performance of the business. Therefore, we believe that highlighting these measures in addition to the IFRS measures gives a useful insight to the readers of the report. The two tables below lay out to key measures and show how they are arrived at:

	2021	**2021**	2020	2020
Underlying PBT from continuing operations	**£000's**	**£000's**	£000's	£000's

(Loss)/Profit before taxation (PBT)		**(2,389)**		2,116
Amortisation of intangible assets arising on acquisition		**131**		149
Exceptional operating costs				
Acquisition activity costs	**–**		30	
Write down of intangible asset	**1,457**		-	
Impairment of investment	**–**		100	
Exceptional operating costs		**1,457**		130
Underlying (Loss)/Profit before taxation (Underlying PBT)		**(801)**		2,395

Underlying EBITDA from continuing operations	**2021 £000's**	**2020 £000's**
Underlying PBT	**(801)**	2,395
Finance income	**(16)**	(11)
Finance costs	**126**	194
Amortisation (excluding arising on acquisition)	**767**	613
Depreciation	**332**	300
Underlying EBITDA	**408**	3,491

John Williams
Chief Financial Officer
09 July 2021

Board of Directors

Martin Rowland
Chairman

Appointed
Martin joined as Non-Executive Director in November 2018 before becoming Chairman in February 2020. He was previously a Non-Executive Director of the Group between 2011 and 2014. Martin is Chair of the Audit Committee.

Background and Experience
Martin has spent the last 10 years in a variety of investment roles, working for institutional private equity houses and investing alongside family offices. Prior to this Martin held operational and strategic roles in mid-sized and large corporates. He has been a director of companies in an executive and non-executive capacity, helping businesses to scale organically and through acquisition. Martin is a qualified accountant.

Jesper With-Fogstrup
Chief Executive Officer

Appointed
Jesper joined the Company as CEO in January 2021.

Background and Experience
Before joining ULS Technology, Jesper served as Global Head of Digital as a Channel with HSBC Wealth and Personal Banking (WPB). Prior to HSBC, Jesper was Chief Operating Officer with ComparetheMarket.com responsible for scaling the business, Product, commercial performance and strategic delivery. Jesper has also held several executive positions in the online travel industry.
Jesper holds an Executive MBA from London Business School.

John Williams
Chief Financial Officer

Appointed
John joined the business in January 2011 at the point of Lloyds Development Capital (LDC) investment in the Group and oversaw the listing process in 2014.

Background and Experience
Prior to joining the Company, John was Finance Director at Stortext FM Limited, a private equity backed SaaS business specialising in document management. There, he led a merger process before taking the lead in a successful trade sale of the merged entity to Box-it Limited.
John is a chartered accountant, having qualified with Ernst & Young, before he gained blue-chip experience with Motorola in a number of roles.

Elaine Bucknor
Independent Non-Executive Director

Appointed
Elaine joined as Non-Executive Director in June 2018. She is Chair of the Nominations Committee.

Background and Experience
She is currently Sky Plc's Group Chief Information Security Officer and a Group Director in its Technology Executive team. Elaine has over 20 years in operational and strategic technology consultancy and leadership roles, with multinational market leaders in the telecommunications, media, technology, travel, financial and public sectors. She has advised at Board level on technology capabilities to enable scalable growth and resilience in highly disruptive markets and specialises in shaping and executing innovative technology strategies.

Elaine is a key sponsor on a number of programmes to encourage more women into technology-based careers and is also a member of a number of industry councils in the Technology and Cyber Security sectors.

Oliver Scott
Non-Executive Director

Appointed
Oliver joined as Non-Executive Director in January 2020. He is a partner of Kestrel Partners LLP, the Company's largest shareholder, a business he co-founded in 2009 and which specialises in investing in smaller quoted technology companies. Oliver is Chair of the Remuneration Committee.

Background and Experience
Prior to Kestrel, Oliver spent over 15 years advising smaller quoted and unquoted companies, latterly as a director of KBC Peel Hunt Corporate Finance. Oliver has acted as Kestrel's representative on various of its public and private investee companies and was previously a non-executive director of Idox plc, IQGeo Group plc and KBC Advanced Technologies plc, prior to its takeover by Yokogawa. Oliver is currently a non-executive director of K3 Business Technology plc.

Directors' report

The Directors present their report and the financial statements of ULS for the year ended 31 March 2021.

Principal activity

The Company acts as a holding company for its three subsidiaries and provides management services to its subsidiary companies.

The largest subsidiary, United Legal Services Limited, develops and provides software that supports the provision of online legal comparison services, particularly in the conveyancing sector. Its disruptive technology creates competition amongst the providers of legal services to the benefit of the consumer. Legal-Eye Limited provides risk management and compliance services to solicitors and licensed conveyancers.

United Home Services Limited has developed a commercial proposition for the estate agency comparison product. Its operations are currently immaterial to the Group.

Review of business and future developments

The review of the business and future developments is outlined in the Chairman's statement and the Chief Executive's Statement.

Dividends

The Directors have decided not to propose a final dividend. There is no current expectation to pay a dividend while the Group is investing heavily in the development of DigitalMove but the Board will keep this policy under review.

Directors

The Directors of the Company during the year and their beneficial interest in the ordinary shares and share options of the Company at 31 March 2021 are set out below:

	Ordinary shares		**Share options**	
	2021	**2020**	**2021**	**2020**
Andrew Weston	**1,276,625**	1,276,625	**426,898**	226,898
John Williams	**48,291**	48,291	**699,505**	485,809
Jesper With-Fogstrup	**25,000**	–	**675,000**	–
Steve Goodall	**–**	–	**–**	650,000
Martin Rowland	**60,000**	–	**750,000**	–
	1,409,916	1,324,916	**2,551,403**	1,362,707

In addition to the above table, Oliver Scott was appointed to the Board on 7 January 2020 and holds a beneficial interest in the holding disclosed for Kestrel Partners.

Employee involvement

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through informal discussions between Group management, operating Company management and employees, staff surveys as well as regular 'town hall' meetings.

The Group operates an EMI share option scheme and, as well as options issued to Directors as shown above, options have also been issued to and are held by a significant number of employees. During the year the Group introduced a tax efficient Share Incentive Plan which all staff are able to participate in.

Substantial shareholders
The Company has been notified of the following interests of three per cent or more in its issued share capital as at 31 March 2021.

Shareholder	No. of shares	%
Kestrel Partners	**18,495,904**	**28.51**
Schroder Investment Management	**6,860,816**	**10.58**
Gresham House Strategic Plc	**4,422,438**	**6.82**
Herald Investment Management	**4,400,000**	**6.78**
River and Mercantile Asset Management	**4,014,140**	**6.19**
Unicorn Asset Management	**3,750,200**	**5.78**
JO Hambro Capital Management	**2,700,000**	**4.16**

Research and development
The Group develops software products in-house and CAL uses an external provider to do the same. These are capitalised in line with the accounting policies.

Financial instruments and risks
The Group's operations expose it to a variety of liquidity, credit and interest rate risks. Details of the use of financial instruments by ULS and these risks are contained in the financial statements.

Share dealing code
The Group has adopted a share dealing code for Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM rules relating to dealings in the Group's securities (including, in particular, Rule 21 of the AIM rules). The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM. The Group takes proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of the AIM rules (including Rule 21).

Website publication
The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements,

which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

The Directors confirm that, in so far as each Director is aware:

- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, 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 to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market (AIM).

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 they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, and disclose with reasonable accuracy at any time the financial position of the Group, 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO LLP are the appointed auditor of ULS Technology plc. A resolution to reappoint them as auditors and to authorise the Directors to agree their remuneration will be placed before the forthcoming Annual General Meeting of the Company.

Approved by the Board of Directors and signed on its behalf:

Jesper With-Fogstrup
Chief Executive Officer
ULS Technology plc

John Williams
Chief Financial Officer
ULS Technology plc

09 July 2021
Company number: 07466574

Consolidated Income Statement
for the year ended 31 March 2021

	Notes	2021 £000's	2020[1] £000's
Continuing operations			
Revenue	1	16,926	20,705
Cost of sales		(10,013)	(11,957)
Gross profit		6,913	8,748
Exceptional administrative expenses		(1,457)	(130)
Other administrative expenses		(7,829)	(6,319)
Administrative expenses		(9,286)	(6,449)
Operating (loss)/profit before exceptional expenses		(916)	2,429
Exceptional admin expenses	3	(1,457)	(130)
Operating (loss)/profit	2	(2,373)	2,299
Finance income	5	16	11
Finance costs	6	(126)	(194)
Share of results of associates	13	94	-
(Loss)/ profit before tax		(2,389)	2,116
Tax expense	7	562	(358)
(Loss)/ profit for the financial year from continuing operations		(1,827)	1,758
Discontinued operations	8		
Profit for the year from discontinued operations		1,060	1,507
Gain on disposal	26	18,145	-
Total profit for the year from discontinued operations		19,205	1,507
Profit for the financial year attributable to the Group's equity shareholders		17,378	3,265

Earnings per share from continuing operations			
Basic earnings per share (£)	9	(0.0282)	0.0273
Diluted earnings per share (£)	9	(0.0282)	0.0257

Earnings per share from continuing and discontinued operations			
Basic earnings per share (£)	9	0.2679	0.0506
Diluted earnings per share (£)	9	0.2536	0.0482

[1] The results for the comparative period have been restated to show separately the results of operations that were discontinued in the current period.

Consolidated statement of comprehensive income
for the year ended 31 March 2021

	2021 £000's	2020 £000's
Profit for the financial year	17,378	3,265
Total comprehensive income for the financial year attributable to the owners of the parent	17,378	3,265

Consolidated Balance Sheet
as at 31 March 2021

	Notes	2021 £000's	2020 £000's
Assets			
Non-current assets			
Intangible assets	14	1,799	6,151
Goodwill	11	4,524	11,008
Financial assets at FVOCI	12	–	–
Investment in associates	13	627	533
Property, plant and equipment	15	1,830	2,140
Long-term receivables	16	200	250
Prepayments	16	111	123
		9,091	20,205
Current assets			
Trade and other receivables	16	1,452	1,874
Current tax receivable		249	-
Cash and cash equivalents	17	23,976	2,340
		25,677	4,214
Total assets		34,768	24,419

Equity and liabilities			
Capital and reserves attributable to the Group's equity shareholders			
Share capital	18	259	259
EBT reserve		(397)	(453)
Share premium		4,609	4,609
Capital redemption reserve		113	113
Share based payment reserve		418	427
Retained earnings		24,913	7,624

Total equity		29,915	12,579
Non-current liabilities			
Borrowings	21	-	750
Lease liabilities	25	1,162	1,309
Deferred taxation	7	280	1,045
		1,442	3,104
Current liabilities			
Trade and other payables	20	3,249	3,296
Borrowings	21	-	5,000
Lease liabilities	25	162	158
Current tax payable		-	282
		3,411	8,736
Total liabilities		4,853	11,840
Total equity and liabilities		34,768	24,419

Consolidated statement of changes in equity
for the year ended 31 March 2021

	Share capital £000's	EBT reserve £000's	Share premium £000's	Capital redemption reserve £000's	Share-based payments reserve £000's	Retained earnings £000's	Total Equity £000's
Balance at 1 April 2019	259	(484)	4,585	113	293	5,973	10,739
Profit for the year	–	–	–	–	–	3,265	3,265
Total comprehensive income	–	–	–	–	–	3,265	3,265
Issue of shares	–	–	24	–	–	–	24
Purchase of shares by EBT	–	(29)	–	–	–	–	(29)
Exercise of options	–	60	–	–	(9)	(33)	18
Share-based payments	–	–	–	–	143	–	143
Payment of dividends	–	–	–	–	–	(1,581)	(1,581)
Total transactions with owners	–	31	24	–	134	(1,614)	(1,425)
Balance at 31 March 2020	259	(453)	4,609	113	427	7,624	12,579
Balance at 1 April 2020	259	(453)	4,609	113	427	7,624	12,579
Profit for the year	–	–	–	–	–	17,378	17,378
Total comprehensive income	–	–	–	–	–	17,378	17,378
Purchase of shares by EBT	–	(91)	–	–	–	–	(91)
Exercise of options	–	147	–	–	(10)	(89)	48
Share-based payments	–	–	–	–	1	–	1
Total transactions with owners	–	56	–	–	(9)	(89)	(42)
Balance at 31 March 2021	259	(397)	4,609	113	418	24,913	29,915

Consolidated statement of cash flows
for the year ended 31 March 2021

	Notes	2021 £000's	2020 £000's
Cash flow from operating activities			
Operating (loss)/profit before tax from continuing operations		(2,389)	2,116
Operating profit before tax from discontinued operations	8	19,039	1,908
Group operating profit before tax for the financial year		16,650	4,024
Finance income	5	(16)	(14)
Finance costs	6	126	195
Loss on disposal of plant and equipment		1,457	–
Share of loss/(profit) from associate	13	(94)	18
Amortisation	14	1,158	1,196
Depreciation	15	345	324
Impairment of financial assets at FVOCI		-	100
Share-based payments		1	143
Tax paid		(319)	(793)
Gain on disposal of discontinued operations excl costs	26	(18,027)	-
		1,281	5,193
Changes in working capital			
Decrease in inventories		-	48
(Increase) in trade and other receivables		(120)	(22)
(Decrease)/increase in trade and other payables		931	(180)
Cash inflow from operating activities		2,092	5,039
Cash flow from investing activities			
Purchase of intangible software assets	14	(831)	(905)
Purchase of property, plant and equipment	15	(64)	(405)
Disposal of subsidiary	26	26,426	-

Payment of deferred consideration		-	(2,337)
Interest received	5	17	14
Net cash from / (used in) investing activities		25,548	(3,633)
Cash flow from financing activities			
Share issue proceeds		-	24
Dividends paid	33	-	(1,581)
Interest paid	6	(91)	(195)
Lease payments		(170)	(155)
Repayment of loan to associate		50	-
Movement on RCF	21	(4,000)	2,000
Repayment of loans	21	(1,750)	(1,000)
Shares Traded by EBT		(43)	(11)
Net cash used in financing activities		(6,004)	(918)
Net increase/(decrease) in cash and cash equivalents		21,636	488
Cash and cash equivalents at beginning of financial year		2,340	1,852
Cash and cash equivalents at end of financial year		23,976	2,340

Notes to the consolidated financial statements

Principal accounting policies

Basis of preparation

The Consolidated Financial Statements of ULS Technology plc and its subsidiaries (together, 'the Group') have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as adopted by the UK, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

IFRS is subject to amendment and interpretation by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the United Kingdom Endorsement Board. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 March 2021.

The financial statements have been prepared under the historical cost convention except for the revaluation of certain assets to fair value as explained in the accounting policies below. The principal accounting policies set out below have been consistently applied to all periods presented.

The financial information set out in this announcement does not constitute ULS Technology plc's statutory accounts for the year ended 31 March 2021. Statutory accounts for the year ended 31 March 2021 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The Auditor has reported on those accounts; their report was unqualified, did not draw attention by way of emphasis and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Going Concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group and Parent Company can continue in operational existence for the foreseeable future. Management have prepared and the board of Directors have approved cash flow forecasts for the Group for a period including 12 months from the date of signing of these financial statements. In doing so the Directors have considered existing commitments together with the financial resources available to the Group.

During the reporting period, the impact of COVID-19 was profound, although the housing market bounced back quickly and the overall impact by the end of the reporting period was much less than originally anticipated. At the start of the period the Board took a number of measures to preserve cash including lengthening loan repayment dates, renegotiating bank covenants and making use of the VAT deferral scheme. The Group only made limited use of the furlough scheme. The housing market has been running at above normal volumes in recent months fuelled by the stamp duty holiday. While the market will cool a little once the holidays expire the view of the market it that volumes will continue to be healthy.

The sale of CAL in November 2020 transformed the liquidity of the Group with the Group having £24m net cash at the end of the period with no borrowings and VAT payments up-to-date. This enables the Group to continue with its plans to accelerate its investment in DigitalMove from current cash reserves. .

The Board looks at the sensitivity of changes in various profit and cash drivers in its business plan to determine the robustness of its cash adequacy. Reductions in margin and/or transaction volumes are tested and the Directors are confident that the Group retains sufficient cash to cope with a prolonged period of reduced revenues.

The cash flow forecasts prepared show that the Group and Parent Company can continue to operate without borrowings and maintaining substantial cash reserves through the period including 12 months from the date of approval of these financial statements.

As a result of the above, the directors concluded that there are no material uncertainties that lead to significant doubt upon the Parent Company's and Group's ability to continue as a going concern and therefore continue to adopt the going concern basis of accounting in preparing these financial statement.

Basis of consolidation
The Consolidated Financial Statements incorporate the results of ULS Technology plc ('the Company') and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities and the ability to use its power over the investee to affect the returns from the investee.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Business combinations
The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 March 2021. All subsidiaries have a reporting date of 31 March.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date except in relation to leases, where the lease liability is initially measured at the present value of future lease payments using the Group's incremental borrowing rate, and the right of use asset measured at the same value with adjustment for favourable or unfavourable lease terms.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Acquisition-related costs are expensed as incurred.

When an operation is disposed of, it is classified as a discontinued operation if it represents a separate major line of business. In this case the results of the discontinued operation and the profit or loss on disposal are aggregated in a single line item in the income statement and the prior period is restated for comparability.

Discontinued operations
A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

Interest in associates
An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The post-tax results of associates are incorporated in the Group's results using the equity method of accounting. Under the equity method, investments in associates are carried in the Consolidated Balance Sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of investment. Losses of associates in excess of the Group's interest in that associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Employee benefit trust
The Directors consider that the Employee Benefit Trust (EBT) is under the de facto control of the Company as the trustees look to the Directors to determine how to dispense the assets. Therefore the assets and liabilities of the EBT have been consolidated into the Group accounts. The EBT's investment in the Company's shares is eliminated on consolidation and shown as a deduction against equity. Any assets in the EBT will cease to be recognised in the Consolidated Balance Sheet when those assets vest unconditionally in identified beneficiaries.

Revenue recognition
Revenue comprises revenue recognised in respect of services, supplied during the period and is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, based on when performance obligations have been satisfied.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from a contract to provide services which are completed at an identifiable point in time is recognised when the performance obligation is met, and when all of the following conditions are satisfied:
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is recognised on completion of the legal services. For a conveyancing transaction, this will be on completion of the property transaction and if the transaction falls through prior to completion no fees will be payable by the consumer to the solicitor or by the solicitor (customer) to the Company or by the Company to the introducer (supplier).

The proportion of the fee that the Company receives on completion of a conveyancing transaction that is remitted to a third party (introducer), such as a mortgage broker or intermediary, is recognised as a cost of sale. This is because the Group bears most of the credit risk, delivers the service and sets the pricing.

Segmental reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses related to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Chief Operating Decision Maker has been identified as the Board of Executive Directors, at which level strategic decisions are made.

Details of the Group's reporting segments are provided in note 1.

Operating expenses
Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

Exceptional operating expenses are non-recurring in nature or of a size sufficient to merit separate disclosure. Items are classified as exceptional to aid the understanding of the underlying performance of the business.

Finance income and costs
Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

Goodwill
Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Other intangible assets

Capitalised development expenditure
An internally-generated intangible asset arising from development expenditure is recognised if, and only if, all of the following criteria have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.
- The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is expensed in the period in which it is incurred.

Amortisation is calculated so as to write off the cost of an asset, net of any residual value, over the estimated useful life of that asset as follows:

- Capital development expenditure – Straight line over 4 to 7 years

- Development expenditure not meeting the criteria to be capitalised totalled £136,000 (2020: £nil).

Brand names and customer and introducer relationships
Brand names and customer and introducer relationships acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values.

Amortisation is calculated so as to write off the cost of an asset on a straight line basis, net of any residual value, over the estimated useful life of that asset as follows:

- Customer and introducer relationships – 10 to 12 years
- Brand names – 10 years
- Acquired technology platform – 9 years

Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation and less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs can be measured reliably. All other costs, including repairs and maintenance costs, are charged to the Consolidated Income Statement in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment and is calculated on a straight-line basis as follows:

- Leasehold improvements – Over the life of the lease
- Computer equipment – 25% on cost
- Fixtures and fittings – 25% on cost

Depreciation is provided on cost less residual value over the asset's useful life. The residual value, depreciation methods and useful lives are annually reassessed.

Each asset's estimated useful life has been assessed with regard to its own physical life limitations and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis for all equipment, with annual reassessments for major items. Changes in estimates are accounted for prospectively.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the Consolidated Income Statement.

Impairment of non-current assets including goodwill
For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. Each unit to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired.

At each Balance Sheet reporting date the Directors review the carrying amounts of the Group's tangible and intangible assets, other than goodwill, to determine whether there is any indication that those assets are impaired. 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 the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. For further details of the impairment reviews conducted see note 11.

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

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. If the recoverable amount of a cash-generating unit is less than its carrying amount, 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 based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised in the Consolidated Income Statement immediately.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of approximately three months or less.

Financial instruments

Recognition and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets
Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:
- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVTPL.

The classification is determined by both:
- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other administrative expenses.

Subsequent measurement of financial assets
Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (FVOCI)
The Company accounts for financial assets at FVOCI if the assets meet the following conditions:
- they are held under a business model whose objective it is 'hold to collect' the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's 15% share in Financial Eye Limited are classified as financial assets at FVOCI.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets
IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of these requirements included loans and other debt-type financial assets measured at amortised cost, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'), and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 22 for further details.

Classification and measurement of financial liabilities
The Group's financial liabilities include borrowings, trade and other payables and contingent consideration.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. Contingent consideration is measured at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Current taxation
Current taxation for each taxable entity in the Group is based on the taxable income at the UK statutory tax rate enacted or substantively enacted at the Balance Sheet reporting date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred taxation

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Consolidated Income Statement, except where they relate to items that are charged or credited directly to equity or other comprehensive income in which case the related deferred tax is also charged or credited directly to equity or other comprehensive income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employment benefits

Provision is made in the financial information for all employee benefits. Liabilities for wages and salaries, including non-monetary benefit and annual leave obliged to be settled within 12 months of the Balance Sheet reporting date, are recognised in accruals.

The Group's contributions to defined contribution pension plans are charged to the Consolidated Income Statement in the period to which the contributions relate.

Leasing

The Group considers whether any new contract involving use of an asset is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the lessee's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

On the balance sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities are separately shown on the face of the balance sheet.

Equity and reserves

Equity and reserves comprise the following:

- 'Share capital' represents amounts subscribed for shares at nominal value.
- 'EBT reserve' represents cost of shares bought and sold through the Employee Benefit Trust.
- 'Share premium' represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- 'Capital redemption reserve' represents the nominal value of re-purchased and cancelled share capital.
- 'Share-based payment reserve' represents the accumulated value of share-based payments expensed in the profit and loss less charge in relation to exercised options.
- 'Retained earnings' represents the accumulated profits and losses attributable to equity shareholders.

Share-based employee remuneration

The Group operates share option based remuneration plan for its employees. None of the Group's plans is cash settled.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date using the Black-Scholes model.

All share-based remuneration is ultimately recognised as an expense in profit and loss with a corresponding credit to share-based payment reserve. The expense is allocated over the vesting period. Other than the requirement to be an employee at the point of exercise there are no other vesting requirements and all share options are expected to become exercisable. Subsequent revisions to this give rise to an adjustment to cumulative share-based compensation which is recognised in the current period.

The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs, are allocated to share capital up to the nominal (par) value of the shares issued with any excess being recorded as share premium. Alternatively share options may be exercised via shares held by the EBT.

Contingent liabilities
No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

New and amended International Financial Reporting Standards adopted by the Group
The following new standards, amendments to standards or interpretations are effective for the first time this year applicable to the Group.

New/Revised International Financial Reporting Standards		**Effective date: annual periods beginning on or after:**	**UK adopted**	**Impact on Group**
IAS	Amendments to IAS 1 and IAS 8: Definition of Material	1 January 2020	Yes	Immaterial
IFRS 3	Amendment to IFRS 3 Business Combinations	1 January 2020	Yes	Immaterial

International Financial Reporting Standards in issue but not yet effective
At the date of authorisation of these Consolidated Financial Statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Group.

Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of, these Consolidated Financial Statements, the following may have an impact going forward:

New/Revised International Financial Reporting Standards		**Effective date: annual periods beginning on or after:**	**UK adopted**	**Impact on Group**
IAS 1	Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2022	No	Immaterial
IFRS 3	Amendment to IFRS 3 Business Combinations	1 January 2022	No	Immaterial
IAS 16	Amendments to IAS 16 Property, Plant and Equipment	1 January 2022	No	Immaterial
IAS 37	Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022	No	Immaterial

Critical accounting judgements and key sources of estimation uncertainty
The preparation of financial information in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and

liabilities as well as the disclosure of contingent assets and liabilities at the Balance Sheet reporting date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates
The following are the significant estimates used in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Impairment review
The Group assesses the useful life of intangible assets to determine if there is a definite or indefinite period of useful economic life; this requires the exercise of judgement and directly affects the amortisation charge on the asset. The Group tests whether there are any indicators of impairment at each reporting date. Discounted cash flows are used to assess the recoverable amount of each cash generating unit, and this requires estimates to be made. If there is no appropriate method of valuation of an intangible asset, or no clear market value, management will use valuation techniques to determine the value. This will require assumptions and estimates to be made. Further detail is provided in note 14.

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment. Depreciation rates are shown in the accounting policy for property, plant and equipment.

Contingent consideration arising on business combinations
Contingent consideration is payable based on the future performance of an acquisition to the former shareholders. The likelihood of payment and ultimate value payable are a matter of judgement. Contingent consideration paid during the period was £nil (2020: £2,337,000)

Contingent Consideration occurs in the circumstances where an element of the consideration for an acquired business is determined based upon one or more criteria that are achievable in future periods. The most commonly applied is the achievement of forecast profitability. A defined value of consideration will be payable based on such achievement, and any underperformance against those targets will be credited back to the Consolidated Income Statement.

Judgements
The following are the significant judgements used in applying the accounting policies of the Group that have the most significant effect on the financial information:

Capitalisation of development expenditure
The Group applies judgement in determining whether internal research and development projects meet the qualifying criteria set out in IAS 38 for the capitalisation of development expenditure as internally generated intangible assets. The particular uncertainty and judgement centres around whether a project will be commercially successful, particularly in the pre-revenue phase.

Investment in Associates

While the current profitability of HomeOwners Alliance is limited, it is the judgement of the Board that the contribution overall to the Group in terms of conveyancing business introduced in addition to the longer-term prospects of the company mean that there is no impairment to the carrying value of the associate.

1. Segmental reporting

Operating segments

Management identifies its operating segments based on the Group's service lines, which represent the main product and services provided by the Group. The Group of similar services which makes up the Group's Comparison Services segment represents more than 95% of the total business. Additionally, the Board reviews Group consolidated numbers when making strategic decisions and, as such, the Group considers that it has one reportable operating segment. All sales are made in the UK.

Revenues from customers who contributed more than 10% of revenues were as follows:

	2021 £000's	**2020 £000's**
Customer 1	6,288	6,071
Customer 2	1,781	3,322

The discontinued operation that was disposed of during the year was not identified as a separate segment.

2. Operating (loss)/ profit

Loss/ (profit) for the financial year attributable to the Group's equity shareholders:	**2021 £000's**	**2020 £000's**
Fees payable to the Group's auditors for the audit of the annual financial statements	56	32
Fees payable to the Group's auditors and its associates for other services to the Group:		
– Audit of the accounts of subsidiaries	34	22
- Non-audit services	16	-
Amortisation	1,158	1,196
Depreciation	345	324
Operating lease rentals payable:		
– Office and equipment	-	-

3. Exceptional administrative expenses

	2021 £000's	**2020 £000's**

Write-off of capitalised development costs	1,457	-
M&A expenses (including abortive costs)	-	30
Impairment of financial assets at FVOCI	-	100
	1,457	130

M&A expenses relates to abortive costs only.

The write-off of the intangible asset relates to the decision to move DigitalMove on to a low code/no code environment. While the learnings from the original version of DigitalMove will be re-used it was not possible to separate the value of that from the actual code. For that reason, it was deemed that the amount capitalised so far and previously included within the capitalised development expenditure category of intangible fixed assets would need to be written-off and the loss on derecognition of the asset has been classified as exceptional due to both the size and the uncommon nature of the event.

4. Directors and employees

The aggregate payroll costs of the employees, including both management and Executive Directors, were as follows:

	2021 £000's	**2020 £000's**
Staff costs		
Wages and salaries	4,975	4,524
Social security costs	545	492
Pension costs	424	340
	5,944	5,356

Average monthly number of persons employed by the Group during the year was as follows:

	2021 Number	**2020 Number**
By activity:		
Production	34	33
Distribution	30	35
Administrative	27	23
Management	9	11
	100	102

	2021 £000's	2020 £000's
Remuneration of Directors		
Emoluments for qualifying services	801	649
Payments for loss of office	90	-
Pension contributions	28	19
Social security costs	106	68
	1,025	736

The emoluments above (and in the following table for Remuneration of key management) include amounts for share-based payments charges but not for the actual gain on exercise. During the period share options were exercised during the period giving rise to a gain of £35,000 (2020: £nil). This amount applies to the table below also.

A breakdown of the emoluments for Directors can be found in the Directors' Remuneration Report where the Highest paid Director can also be identified..

Key management personnel are identified as the Executive Directors.

	2021 £000's	2020 £000's
Remuneration of key management		
Emoluments for qualifying services	524	532
Payments for loss of office	90	-
Pension contributions	23	16
Social security costs	79	56
	716	604

Payments of pensions contributions have been made on behalf of Directors

5. Finance income

	2021 £000's	2020 £000's
Bank interest	16	11

6. Finance costs

	2021 £000's	2020 £000's
Interest on borrowings	(91)	(169)
Lease interest	(35)	(25)
	(126)	(194)

7. Taxation

Analysis of credit in year	**2021 £000's**	**2020 £000's**
Current tax		
United Kingdom		
UK corporation tax on profits for the year	24	745
Deferred tax		
United Kingdom		
Origination and reversal of temporary differences	(752)	14
Corporation tax (credit)/charge	(728)	759

Continuing and discontinued operations

Continuing operations	(562)	358
Discontinued operations	259	401
Tax relating to disposal	(425)	-
Corporation tax (credit)/charge	(728)	759

The differences are explained as follows:

	2021 £000's	**2020 £000's**
Profit before tax	16,650	4,024
UK corporation tax rate	19%	19%

Expected tax expense	3,164	765
Adjustments relating to prior year	30	(2)
Adjustment for additional R&D tax relief	(229)	(197)
Adjust opening deferred tax rate to 19%	-	33
Deferred tax not recognised	-	1
Non-taxable gain on sale of Group company	(3,900)	-
Unused tax losses	208	-
Adjustment for non-deductible expenses		
– Expenses not deductible for tax purposes	42	133
– Other permanent differences	(42)	26
Income tax (credit)/charge	(728)	759

Deferred tax

	2021 £000's	**2020 £000's**
Deferred tax liabilities at applicable rate for the period of 19%:		
Opening balance at 1 April	1,045	1,031
– Property, plant and equipment and capitalised development spend temporary differences	(217)	79
– Deferred tax recognised on acquisitions of Legal Eye and Conveyancing Alliance	(65)	(96)
– Deferred tax released on sale of Conveyancing Alliance	(425)	_
– Deferred tax on share options	(58)	31
Deferred tax liabilities – closing balance at 31 March	280	1,045

	2021 £000's	**2020 £000's**
Deferred tax liabilities at period end:		

Property, plant and equipment and capitalised development spend temporary differences	233	450
Deferred tax recognised on acquisitions of Legal Eye and Conveyancing Alliance	105	595
Deferred tax on share options	(58)	_

Deferred tax liabilities – closing balance at 31 March	280	1,045

8. Discontinued operations

On 27 November 2020 the Group disposed of Conveyancing Alliance (Holdings) Limited and its subsidiary Conveyancing Alliance Limited, which carried out operations similar to the rest of the Group. The disposal was effected as it was felt that the disposed of companies were not core to the ambition to disrupt and transform the home moving and home owning experience for consumers. Therefore, the proceeds from the sale could be better used to help fulfil this ambition. Details of the assets and liabilities disposed of, and the calculation of the profit on disposal, are included in note 26.

The results of the discontinued operation, which have been included in the profit for the year, are as follows:

	2021 £'000	**2020 £'000**
Revenue	4,545	7,567
Expenses	(3,226)	(5,659)
Profit before tax of discontinued operations	1,319	1,908
Profit on disposal of discontinued operations	17,720	-
Total profit before tax on discontinued operations	**19,039**	**1,908**
Tax on discontinued operations	(259)	(401)
Tax credit on disposal of discontinued operations	425	-
Net profit on discontinued operations attributable to owners of the company	**19,205**	**1,507**

	2021 £'000	**2020 £'000**
Profit after tax of discontinued operations	1,060	1,507
Profit after tax on disposal of discontinued operations	18,145	-
Net profit on discontinued operations attributable to owners of the company	**19,205**	**1,507**

Results above for 2021 cover the 7 months to the date of disposal and for 2020 they are for a full 12 months.

During the year, Conveyancing Alliance Limited contributed £1,435,000 (2020: £3,653,000) to the group's net operating cash flows and paid £31,000 (2020: £48,000) in respect of investing activities and £2,008,000 (2020: £2,765,000) in respect of financing activities.

A profit after tax of £18,145k arose on disposal of Conveyancing Alliance Holdings Limited, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets and attributable goodwill.

9. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to Ordinary Shareholders by the weighted average number of ordinary shares outstanding during the year.

From continuing and discontinued operations:
Basic earnings per share

	2021 £	**2020 £**
Total basic earnings per share	0.2679	0.0506
Total diluted earnings per share	0.2536	0.0482

The earnings used in the calculation of basic earnings per share were as follows:

	2021 £000's	**2020 £000's**
Earnings used in the calculation of total basic and diluted earnings per share	17,378	3,265

From continuing operations:
Basic earnings per share

	2021 £	**2020 £**
Total basic earnings per share	(0.0282)	0.0273
Total diluted earnings per share	(0.0282)	0.0257

The earnings used in the calculation of basic earnings per share from continuing operations were as follows:

	2021 £000's	**2020 £000's**

Earnings used in the calculation of total basic and diluted earnings per share	(1,827)	1,758

From discontinued operations:
Basic earnings per share

	2021 £	2020 £
Total basic earnings per share	0.2960	0.0234
Total diluted earnings per share	0.2803	0.0223

The earnings used in the calculation of basic earnings per share from discontinued operations were as follows:

	2021 £000's	2020 £000's
Earnings used in the calculation of total basic and diluted earnings per share	19,205	1,507

The weighted average number of ordinary shares used in all of the calculations of basic earnings per share were as follows:

Number of shares	2021 Number	2020 Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	64,871,276	64,499,023

Taking the Group's share options into consideration in respect of the Group's weighted average number of ordinary shares for the purposes of diluted earnings per share, is as follows:

Number of shares	2021 Number	2020 Number
Dilutive (potential dilutive) effect of share options	3,642,014	3,224,904
Weighted average number of ordinary shares for the purposes of diluted earnings per share	68,513,290	67,723,927

As the Group reported a loss on continuing operations, outstanding share options do not further dilute the loss per share in the current period so the diluted loss per share is the same as the loss per share for continuing operations.

10. Subsidiaries

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activity	Class of shares	Place of incorporation and operation	% ownership held by the Group 2021	2020
United Legal Services Limited	Development and hosting of internet-based software applications for legal services businesses	Ordinary	England & Wales	100%	100%
United Home Services Limited	Development and hosting of internet-based software applications for property services businesses	Ordinary	England & Wales	100%	100%
Legal-Eye Limited	Compliance consultancy services for solicitors	Ordinary	England & Wales	100%	100%

The Group disposed of its previous 100% interests in Conveyancing Alliance (Holdings) Limited and Conveyancing Alliance Limited during the year. The gain on disposal is shown in note 8 and included within results from discontinued operations.

The registered office of each of the subsidiaries is the same as the registered office of the parent company: The Old Grammar School, Church Road, Thame, Oxfordshire, OX9 3AJ.

11. Goodwill

	2021 £000's	2020 £000's
Opening value at 1 April	11,008	11,008
Sale of CAL	(6,484)	-
Closing value at 31 March	4,524	11,008

Goodwill split by CGU is as follows:

	2021 £000's	2020 £000's
Core	3,297	3,297
Legal-Eye	1,227	1,227
CAL	-	6,484
	4,524	11,008

The key assumptions in the performance of impairment reviews related to the projection period, the growth rate applied subsequent to this period, and the discount rate applied to projected cash flows to determine a value in use.

For Core, the recoverable amounts of intangible assets and goodwill was determined using value-in-use calculations, based on cash flow projections from a four-year forecast which has been extrapolated into perpetuity. A four-year period has been used to properly reflect a planned investment period followed by profitable growth. Its recoverable amount exceeds its holding value by £7.6m. A 1% sensitivity in the discount rate used would give a range in the recoverable amount of £10.6m to £5.2m. The recoverable amount would be equal to the holding amount if the discount rate rose by 4.1% or the growth rate used to extrapolate cash flows fell by 3.0%.

For Legal-Eye, the recoverable amounts of intangible assets and goodwill was determined using value-in-use calculations, based on cash flow projections from a three-year forecast which has been extrapolated into perpetuity. Its recoverable amount exceeds its holding value by £228,000. A 1% sensitivity in the discount rate used would give a range in the recoverable amount of £439,000 to £57,000. The recoverable amount would be equal to the holding amount if the discount rate rose by 1.4% or the growth rate used to extrapolate cash flows fell by 1.7%.

For both CGUs a growth rate of 2% has been applied to extrapolate the cash flows beyond the forecast periods by reference to the long-term growth rate of the UK economy.

The post-tax discount rate for each CGU was 11.60% which reflect current market assessments of the time value of money and specific risks using external sources of data.

12. Financial assets at FVOCI

	2021 £’000	**2020 £’000**
Opening value at 1 April	–	100
Changes in fair value of investments	–	(100)
Closing value at 31 March	–	–

The Group acquired 15% of Financial Eye on 27 February 2015 as a separately identifiable part of the transaction in which Legal Eye was acquired.

13. Investment in associates

	2021 £’000	**2020 £’000**
Opening value at 1 April	533	551
Share of profit/(losses) for the year	94	(18)
Closing value at 31 March	627	533

The Group acquired 35% of Homeowners Alliance Ltd on 29 February 2016. Homeowners Alliance Ltd's place of incorporation and operation is in the UK and its registered address is Pound House, 62a Highgate High St, London N6 5HX.

The associate is not material to the Group's results.

14. Intangible assets

	Capitalised development expenditure £000's	Acquired technology platform £000's	Customer and Introducer relationships £000's	Brands £000's	Total £000's
Cost					
At 1 April 2019	4,886	1,117	3,619	568	10,190
Additions	905	–	–	–	905
Disposals	–	–	–	–	–
At 31 March 2020	5,791	1,117	3,619	568	11,095
Additions	831	–	–	–	831
Subsidiary Sale	(307)	(1,117)	(2,549)	(342)	(4,315)
Disposals	(1,688)	–	–	–	(1,688)
At 31 March 2021	4,627	–	1,070	226	5,923
Accumulated amortisation					
At 1 April 2019	2,366	284	926	172	3,748
Charge	658	124	357	57	1,196
Disposals	–	–	–	–	–
At 31 March 2020	3,024	408	1,283	229	4,944
Charge	800	73	243	42	1,158
Subsidiary Sale	(241)	(481)	(892)	(132)	(1,746)
Disposals	(230)	–	–	–	(230)
At 31 March 2021	3,353	–	634	138	4,125

Net book value					
At 1 April 2019	2,520	833	2,693	396	6,442
At 31 March 2020	2,767	709	2,336	339	6,151
At 31 March 2021	1,274	–	436	89	1,799

Amortisation is included within administrative expenses.

The loss on the derecognition of capitalised costs relating to Digital Move is included in exceptional items and further details are given in note 3.

During the year ended 31 March 2021, the Group disposed of Conveyancing Alliance (Holdings) Limited and its subsidiary Conveyancing Alliance Limited. This meant that intangible assets originally recognised on acquisition of those companies are no longer recognised in the consolidated balance sheet and neither are the software assets those companies had developed. See Note 8 for further details.

15. Property, plant and equipment

	Leasehold improvements £000's	**Right of use assets £000's**	**Computer equipment £000's**	**Fixtures and fittings £000's**	**Total £000's**
Cost					
At 1 April 2019	569	–	952	91	1,612
Transition to IFRS 16	–	565	–	–	565
Additions	246	1,058	119	40	1,463
Disposals	–	–	–	(3)	(3)
At 31 March 2020	815	1,623	1,071	128	3,637
Additions	–	–	58	7	65
Subsidiary Sale	–	(34)	(68)	(6)	(108)
Disposals	–	–	(23)	–	(23)
At 31 March 2021	815	1,589	1,038	129	3,570
Accumulated depreciation					

At 1 April 2019	569	–	528	78	1,175
Charge	10	121	186	7	324
Disposals	–	–	–	(2)	(2)
At 31 March 2020	579	121	714	83	1,497
Charge	24	167	143	11	345
Subsidiary Sale	–	(25)	(52)	(2)	(79)
Disposals	–	–	(23)	–	(23)
At 31 March 2021	603	263	782	92	1,740
Net book value					
At 1 April 2019	–	–	424	13	437
At 31 March 2020	236	1,502	357	45	2,140
At 31 March 2021	212	1,326	256	37	1,830

Depreciation is recognised within administrative expenses.

During the year ended 31 March 2021, the Group disposed of Conveyancing Alliance (Holdings) Limited and its subsidiary Conveyancing Alliance Limited. This meant that property, plant and equipment held by those companies are no longer included in the consolidated balance sheet. See Note 8 for further details.

16. Trade and other receivables

	2021 £'000	**2020 £'000**
Current assets		
Trade receivables	857	1,302
Other receivables	52	286
Prepayments	543	286
	1,452	1,874
Non-current assets		

Prepayments	111	123
Long-term receivables (loans to associate)	200	250
	311	373

The Directors consider the carrying value of trade and other receivables is approximate to its fair value.

Details of the Group's exposure to credit risk is given in Note 22.

17. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank (GBP)	23,976	2,340

At March 2021 and 2020 materially all significant cash and cash equivalents, which include deposits with maturities up to approximately three months, were deposited with major clearing banks in the UK with at least an 'A' rating.

18. Share capital
Allotted, issued and fully paid
The Company has one class of ordinary share which carries no right to fixed income nor has any preferences or restrictions attached.

	2021		2020	
	No	**£000's**	**No**	**£000's**
Ordinary shares of £0.004 each	64,871,276	259	64,871,276	259
	64,871,276	259	64,871,276	259

As regards income and capital distributions, all categories of shares rank pari passu as if the same constituted one class of share.

	2021 Number	2020 Number
Shares issued and fully paid		
Beginning of the year	64,871,276	64,828,057
New shares issue	-	43,219
Shares issued and fully paid	64,871,276	64,871,276

During the year the Company issued no new ordinary shares (2020: 43,219).

19. Share-based payments

Ordinary share options:

The Group operates an EMI share option scheme to which the Executive Directors and employees of the Group may be invited to participate by the Remuneration Committee. Options are exercisable at a price equal to the closing price of the Company's share on the day prior to the date of grant. The options vest in three equal tranches, three, four and five years after date of grant or in one tranche three years after date of grant. The options are settled in equity once exercised. Where the individual limits for an EMI scheme the options will be treated as unapproved but within the same scheme rules.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Options were valued using the Black-Scholes option-pricing model using the following assumptions:

	2021
Share price at date of grant	Range of £0.539 to £0.860
Contractual life	10 years
Expected volatility	52.045% to 55.788%
Expected dividend rate	0% to 4.64%
Risk free rate	-0.057% to 0.100%

The expected volatility was calculated as a 2 year volatility of the Company's share price. No options were issued in the previous period.

Some share options granted to directors included performance conditions relating to share price and gross margin. These are classified as market conditions and did not have a material effect on the fair value of options at the date of grant.

The following table shows options issued which were outstanding as at 31 March 2021:

Date of grant	**Exercise price (£)**	**Share price at date of grant (£)**	**Options in issue as 31 March 2021**
18 August 2014	0.4000	0.4800	308,384
21 August 2015	0.5350	0.5350	34,520
7 November 2016	0.7025	0.7025	466,023

21 December 2016	0.7675	0.7675	563,933
28 June 2018	1.3425	1.3425	200,000
9 August 2018	1.3325	1.3325	502,500
14 July 2020	0.5390	0.5390	1,250,000
14 January 2021	0.8000	0.8000	200,000
19 February 2021	0.8600	0.8600	675,000

The Group recognised total expenses of £1,000 (2019: £143,000) related to share options accounted for as equity-settled share-based payment transactions during the year.

The weighted average fair value of options granted in the year was £0.64 per share (2020: £nil).

A reconciliation of option movements over the year to 31 March 2021 is shown below:

	As at 31 March 2021		**As at 31 March 2020**	
	Number of options	**Weighted average exercise price £**	**Number of options**	**Weighted average exercise price £**
Outstanding at 1 April	3,131,007	0.94	3,329,055	0.93
Granted	2,625,000	0.64	-	-
Forfeited prior to vesting	(1,437,768)	0.90	(109,520)	1.12
Exercised	(117,879)	0.40	(88,528)	0.48
Outstanding at 31 March	4,200,360	0.78	3,131,007	0.94

Of the share options outstanding at the year end, 1,029,541 were exercisable at the year end (2020: 886,303)

The weighted average remaining contractual life of the outstanding options was 7.7 years (2020: 6.8 years)

The weighted average share price at the date of exercise of those exercise in the year was £0.80 per share (2020: £0.66)

20. Trade and other payables

	2021 £000's	**2020 £000's**

Trade payables	2,110	1,707
PAYE and social security	140	149
VAT	292	680
Other creditors	292	294
Accruals and deferred income	414	466
	3,249	3,296

21. Borrowings

	2021 £000's	**2020 £000's**
Secured – at amortised cost		
Bank loan	-	1,750
Revolving cash flow facility	-	4,000
	-	5,750
Current	-	5,000
Non-current	-	750
	-	5,750

Reconciliation of liabilities arising from financing activities

	2021			**2020**		
	Bank loans £'000	**Leases**	**Total debt £'000**	**Bank loans £'000**	**Leases**	**Total £'000**
Balance at 1 April	5,750	1,467	7,217	4,750	-	4,750
Lease liabilities recognised by implementation of IFRS16	-	-	-	-	1.596	1,596
Loan or lease repayments	(1,750)	(170)	(1,920)	(1,000)	(155)	(1,155)
Finance charges	-	35	35	-	26	26
Disposal of subsidiary	-	(8)	(8)	-	-	-
Movement in revolving cash flow facility	(4,000)	-	(4,000)	2,000	-	2,000

Balance at 31 Ma	-	1,324	1,324	5,750	1,467	7,217

Summary of borrowing arrangements:

- In December 2016, it took out a five year term loan for £5 million and had a £4 million revolving cash flow facility. Both the remaining balance on the loan and the revolving cash flow facility were repaid in full during the year and the facilities cancelled.
- Loans were secured by way of fixed and floating charges over all assets of the Group which have now been released.
- Amounts shown represent the loan principals; accrued interest is recognised within accruals – any amounts due at the reporting date are paid within a few days.
- During the year a six month repayment holiday was agreed on the term loan and a £1m overdraft agreed. However, the loan has now been repaid in full and the overdraft cancelled.

22. Financial instruments
Classification of financial instruments

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 120 days from the invoice date and failure to engage with the Group on alternative payment arrangements amongst others are considered indicators of no reasonable expectation of recovery. The Group generally has a low incidence of unpaid receivables.

The tables below set out the Group's accounting classification of each class of its financial assets and liabilities.

Financial assets

	Measured at fair value		**Measured at amortised cost**	
	2021 £000's	**2020 £000's**	**2021 £000's**	**2020 £000's**
Trade receivables net of provision for credit losses (note 16)	–	–	857	1,302
Loans and other receivables (note 16)	–	–	252	536
Financial assets at FVOCI (note 12)	–	–	–	–
Cash and cash equivalents (note 17)	–	–	23,976	2,340
	–	–	25,085	4,178

The investment in Financial Eye Limited represents a 15% equity interest in an unlisted company acquired in 2015. All of the above financial assets carrying values are approximate to their fair values, as at 31 March 2021 and 2020.

Financial liabilities

	Measured at amortised cost	
	2021 £000's	**2020 £000's**
Financial liabilities measured at amortised cost (note 20)	2,816	2,467
Borrowings (note 21)	–	5,750
Lease liability	1,324	1,467
	4,140	9,684

Financial assets and financial liabilities measured at fair value in the Consolidated Balance Sheet are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

No financial liabilities are carried at fair value.

Level 3 fair value measurements
The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	Contingent consideration	
	2021 £000's	**2020 £000's**
Balance at 1 April	-	2,224
Payments made	-	(2,337)
Movement in NPV	-	113
Balance at 31 March	–	–

Financial instrument risk exposure and management
The Group's operations expose it to degrees of financial risk that include liquidity risk, credit risk and interest rate risk.

This note describes the Group's objectives, policies and process for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented in notes 16, 17, 20, and 21.

Liquidity risk
Liquidity risk is dealt with in note 23 of this financial information.

Credit risk
The Group's credit risk is primarily attributable to its cash balances and trade receivables. The Group does not have a significant concentration of risk, with exposure spread over a number of third parties.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. The Group suffers a very small incidence of credit losses. However, where management views that there is a significant risk of non-payment, a specific provision for impairment is made and recognised as a deduction from trade receivables.

	2021 £000's	**2020 £000's**
Impairment provision	40	57

The amount of trade receivables past due but not considered to be impaired at 31 March is as follows:

	2021 £000's	**2020 £000's**
Not more than 3 months	65	222
More than 3 months but not more than 6 months	22	6
More than 6 months but not more than 1 year	4	7
More than one year	-	6
Total	91	241

The credit risk on liquid funds is limited because the third parties are large international banks with a credit rating of at least A.

The Group's total credit risk amounts to the total of the sum of the receivables and cash and cash equivalents.

Interest rate risk
In previous periods, the Group had secured debt as disclosed in note 21. The interest on this debt was linked to LIBOR and therefore there was an interest rate risk. By the end of the current reporting period the Group had no outstanding borrowings thus reducing interest rate exposure to the interest received on the cash held on deposit, which is immaterial.

23. Liquidity risk
Prudent liquidity risk management includes maintaining sufficient cash balances to ensure the Group can meet liabilities as they fall due.

In managing liquidity risk, the main objective of the Group is therefore to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. The table below shows the undiscounted cash flows on the Group's financial liabilities as at 31 March 2021 and 2020, on the basis of their earliest possible contractual maturity. The Board has concluded that the Group does have sufficient cash to meet liabilities as they fall due.

	Total £000's	Within 2 months £000's	Within 2–6 months £000's	6–12 months £000's	1–2 years £000's	Greater than 2 years £000's
At 31 March 2021						
Trade payables	2,110	2,110	–	–	–	–
Other payables	292	292	–	–	–	–
Accruals	414	414	–	–	–	–
Lease liabilities	1,466	16	89	89	177	1,095
Loans	–	–	–	–	–	–
	4,282	2,832	89	89	177	1,095

	Total £000's	Within 2 months £000's	Within 2–6 months £000's	6–12 months £000's	1–2 years £000's	Greater than 2 years £000's
At 31 March 2020						
Trade payables	1,707	1,707	–	–	–	–
Other payables	294	294	–	–	–	–
Accruals	466	466	–	–	–	–
Lease liabilities	1,643	–	96	96	178	1,273
Loans	5,790	–	4,519	513	758	–
	9,900	2,467	4,615	609	936	1,273

The amounts payable for loans, as presented above, include the quarterly interest payments due in accordance with the terms described in note 21 in addition to the repayment of principal at maturity.

24. Capital management

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern; and
- To provide long-term returns to shareholders.

The Group defines and monitors capital on the basis of the carrying amount of equity plus its outstanding loan notes, less cash and cash equivalents as presented on the face of the Consolidated Balance Sheet.

The Board of Directors monitors the level of capital as compared to the Group's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares. The Group is not subject to any externally imposed capital requirements.

These policies have not changed in the year. The Directors believe that they have been able to meet their objectives in managing the capital of the Group.

The amounts managed as capital by the Group for the reporting period under review are summarised as follows:

	2021 **£000's**	**2020** **£000's**
Total Equity	29,915	12,579
Cash and cash equivalents	23,976	2,340
Capital	53,891	14,919
Total Equity	29,915	12,579
Borrowings	-	5,750
Financing	29,915	18,329
Capital-to-overall financing ratio	1.80	0.81

25. Lease arrangements

The Group does not have an option to purchase any of the leased assets at the expiry of the lease periods.

The Group has leases over two properties, with remaining lease terms ranging from seven to nine years although there are break clauses in both leases.

Lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 31 March 2021 is as follows:

	Within one year **£000's**	**1-2 years** **£000's**	**2-5 years** **£000's**	**6-10 years** **£000's**	**Total** **£000's**
31 March 2021					
Gross liability	193	178	532	563	1,466
Finance charges	(31)	(28)	(59)	(24)	(142)
	162	150	473	539	1,324

The total cash outflow in respect of leases during the year was £169,000.

The interest expense in the year relating to lease liabilities was £35,000.

For details of right of use assets see note 15.

26. Disposal of subsidiaries

As referred to in note 8, on 27 November 2020 the Group disposed of its interest in Conveyancing Alliance Holdings Limited and Conveyancing Alliance Limited.

The net assets of the two subsidiaries at the date of disposal were as follows:

	2021 £000's
Cash consideration received	27,355
Total Consideration received	**27,355**
Cash disposed of	(929)
Net cash inflow on disposal of discontinued operation	**26,426**
Net assets disposed of (other than cash):	
Property, plant and equipment	95
Debtors	349
Prepayments	205
Trade and other payables	(54)
Accruals	(254)
Tax liabilities including VAT	(928)
Attributable goodwill	6,484
Other intangibles arising on consolidation	2,503
Net assets disposed of	**8,400**

Costs of disposal	306
Pre-tax gain on disposal of discontinued operation	**17,720**
Related tax credit	425
Gain on disposal of discontinued operation	**18,145**

The impact of the discontinued operation on the group's activities is disclosed in note 8.

27. Financial commitments
There are no other financial commitments.

28. Retirement benefit plans
The Group operates a defined contribution pension scheme for its employees. The pension cost charge represents contributions payable by the Group and amounted to £424,000 (2020: £340,000).

29. Related party transactions
Directors:
G Wicks
A Weston
J Williams
M Rowland
O Scott

For remuneration of Directors please see note 4 and the more detailed disclosures in the Directors' report.

Dividends paid to Directors are as follows:

	2021 £000's	2020 £000's
Geoff Wicks	-	1
Andrew Weston	-	31
John Williams	-	1

Oliver Scott is a partner and has a beneficial interest in Kestrel Partners LLP who have a shareholding and would have received dividends in the previous period.

Legal-Eye Ltd uses a training platform provided by DeepHarbour Ltd, a company of which Martin Rowland and his wife are the Directors and in which they own more than 25% but less than 50%. During the year, the Group were invoiced £13,000 by DeepHarbour Ltd for the provision of its training platform. The was no balance outstanding at the period end. The terms of the provision of the training platform were in place prior to the appointment of Martin as a Director of the Group and are considered to be at arms-length.

30. Contingent liabilities

The Directors are not aware of any contingent liabilities within the Group or the Company at 31 March 2021 and 2020.

31. Ultimate controlling party

The Directors do not consider there to be an ultimate controlling party.

32. Events after the Balance Sheet date

There have been no reportable subsequent events between 31 March 2021 and the date of signing this report.

33. Dividends paid

	2021 £000's	2020 £000's
Final dividend for the year ended 31 March 2020 of £nil (2019: 1.20p) per share	-	774
1st Interim dividend £nil (2020: 1.25p) per share	-	807
Total dividends paid	-	1,581

The Directors have recommended that no final dividend be payable in respect of the year ended 31 March 2021.

At the period end, the company's Employee benefit Trust held 357,804 (2020:362,119) shares in the Company. It waives any dividend that may be due on that holding.