

Company Registration No. SC454090 (Scotland)

Comcarde Limited

**Annual report and financial statements
for the year ended 31 July 2019**

Comcarde Limited

Company information

Directors	Pauline Bradley	
	Dame Ann Gloag	(Appointed 3 April 2019)
	Iain Mackintosh	
	Brian Coburn	
	David Reeves	(Appointed 3 April 2019)
Secretary	Rupert Fraser	
Company number	SC454090	
Registered office	56 George Street Edinburgh EH2 2LR	
Independent auditor	Saffery Champness LLP Kintail House Beechwood Park Inverness IV2 3BW	
Business address	Stanhope House Stanhope Street Edinburgh EH12 5HH	
Bankers	Bank of Scotland PO Box 17235 Edinburgh EH11 1YH	

Comcarde Limited

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Comcarde Limited

Strategic report

For the year ended 31 July 2019

The directors present the strategic report for the year ended 31 July 2019.

Review of the business

The results of the Company for the year are set out on pages 8 to 11 and show a loss on ordinary activities after tax of £254,724 (2018 - £206,988). During the year, the Company continued to work on developing its payment orchestration service, and maintained its licence from the Financial Conduct Authority in the UK to operate as a "Small Electronic Money Institution". Post year end, the Company secured its first customers, started operating and de-registered as a Small Electronic Money Institution as the services being provided are not regulated by the FCA.

Principal risks and uncertainties

Key business risks are categorised as follows:-

- Compliance with FCA regulations: this is ongoing and, although the company has relinquished its Small Electronic Money Institution licence, it maintains a watching brief on any changes to regulations that may require the Company to revisit this.
- Political changes: uncertainty about the future cooperation between the United Kingdom and the European Union and potential licence and regulatory implications (such as the EU Payments Directive).
- Competition and market forces: the competitive and product risks in the payments marketplace.
- Financial performance: the realisation of the above risks could adversely impact future financial performance and cash flows.

Key performance indicators

KPIs include:-

- Acquiring additional customers, so as to increase sales revenue.
- Managing and controlling operating costs in accordance with good practice.
- Obtaining and maintaining any licenses required and adhering to all regulations needed for the company to operate and fulfil its future role.

On behalf of the board

Brian Coburn

Director

21 July 2020

Comcarde Limited

Directors' report For the year ended 31 July 2019

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

Principal activities

The company was incorporated on 9 July 2013 and had not commenced trading as at 31 July 2019, although this occurred post year end. The principal activities of the company are software development and the provision of payment orchestration and other related services to its customers.

Directors

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

Pauline Bradley	
Dame Ann Gloag	(Appointed 3 April 2019)
Jamie Macnamara	(Resigned 3 April 2019)
Iain Mackintosh	
Peter Osborn	(Resigned 5 June 2019)
Brian Coburn	
David Reeves	(Appointed 3 April 2019)

Results and dividends

The results of the Company for the year are set out on pages 8 to 11 and show a loss on ordinary activities after tax of £254,724 (2018 - £206,988). The shareholders' funds of the Company total a net asset position of £2,337,490 (2018 - £2,427,214). No dividend payments are proposed.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Future developments

The company intends to continue to:-

- engage in the development and deployment of its principal activities, and
- explore opportunities for signing up additional customers.

Auditor

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

Statement of disclosure to auditor

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

Comcarde Limited

Directors' report (continued)
For the year ended 31 July 2019

On behalf of the board

Brian Coburn
Director

21 July 2020

Comcarde Limited

Directors' responsibilities statement For the year ended 31 July 2019

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

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

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

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

Comcarde Limited

Independent auditor's report To the members of Comcarde Limited

Opinion

We have audited the financial statements of Comcarde Limited (the 'company') for the year ended 31 July 2019 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report (continued)
To the members of Comcarde Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Comcarde Limited

Independent auditor's report (continued) To the members of Comcarde Limited

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

**Eunice McAdam (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP**

22 July 2020

**Chartered Accountants
Statutory Auditors**

Kintail House
Beechwood Park
Inverness
IV2 3BW

Comcarde Limited**Profit and loss account
For the year ended 31 July 2019**

		2019	2018
	Notes	£	£
Administrative expenses		(254,724)	(204,900)
Interest payable and similar expenses	6	-	(2,088)
		<u> </u>	<u> </u>
Loss before taxation		(254,724)	(206,988)
Tax on loss	7	-	-
		<u> </u>	<u> </u>
Loss for the financial year		(254,724)	(206,988)
		<u> </u>	<u> </u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There were no items of other comprehensive income in the year.

Comcarde Limited**Statement of financial position
As at 31 July 2019**

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8	5,223,900		3,197,486	
Tangible assets	9	25,770		24,575	
		<u>5,249,670</u>		<u>3,222,061</u>	
Current assets					
Debtors	10	25,265		45,289	
Cash at bank and in hand		108,628		59,393	
		<u>133,893</u>		<u>104,682</u>	
Creditors: amounts falling due within one year	11	<u>(405,681)</u>		<u>(310,819)</u>	
Net current liabilities		<u>(271,788)</u>		<u>(206,137)</u>	
Total assets less current liabilities		<u>4,977,882</u>		<u>3,015,924</u>	
Creditors: amounts falling due after more than one year	12	(2,032,455)		(17,455)	
Deferred income	13	<u>(607,937)</u>		<u>(571,255)</u>	
Net assets		<u>2,337,490</u>		<u>2,427,214</u>	
Capital and reserves					
Called up share capital	15	2,333,111		2,168,111	
Share premium account	16	852,912		852,912	
Profit and loss reserves		<u>(848,533)</u>		<u>(593,809)</u>	
Total equity		<u>2,337,490</u>		<u>2,427,214</u>	

The financial statements were approved by the board of directors and authorised for issue on 21 July 2020 and are signed on its behalf by:

Brian Coburn
Director

Company Registration No. SC454090

Comcarde Limited**Statement of changes in equity
For the year ended 31 July 2019**

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 August 2017		767,455	852,912	(386,821)	1,233,546
Year ended 31 July 2018:					
Loss and total comprehensive income for the year		-	-	(206,988)	(206,988)
Issue of share capital	15	1,418,111	-	-	1,418,111
Other movements		(17,455)	-	-	(17,455)
Balance at 31 July 2018		2,168,111	852,912	(593,809)	2,427,214
Year ended 31 July 2019:					
Loss and total comprehensive income for the year		-	-	(254,724)	(254,724)
Issue of share capital	15	165,000	-	-	165,000
Balance at 31 July 2019		2,333,111	852,912	(848,533)	2,337,490

Comcarde Limited**Statement of cash flows
For the year ended 31 July 2019**

	Notes	£	2019 £	£	2018 £
Cash flows from operating activities					
Cash absorbed by operations	20		(92,274)		(447,825)
Interest paid			-		(2,088)
Income taxes (paid)/refunded			-		36,422
Net cash outflow from operating activities			(92,274)		(413,491)
Investing activities					
Purchase of intangible assets		(2,026,414)		(932,423)	
Purchase of tangible fixed assets		(12,077)		(27,520)	
Net cash used in investing activities			(2,038,491)		(959,943)
Financing activities					
Proceeds from issue of shares		165,000		1,418,111	
New borrowings		2,015,000		-	
Net cash generated from financing activities			2,180,000		1,418,111
Net increase in cash and cash equivalents			49,235		44,677
Cash and cash equivalents at beginning of year			59,393		14,716
Cash and cash equivalents at end of year			108,628		59,393

1 Accounting policies

Company information

Comcarde Limited is a private company limited by shares incorporated in Scotland. The registered office is 56 George Street, Edinburgh, EH2 2LR.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention modified to include certain items at fair value, as explained below. The principal accounting policies adopted are set out below.

1.2 Patents

Patents are valued at cost less accumulated amortisation, and any accumulated impairment losses. As the project is still under development at the year end, no amortisation is currently being charged.

1.3 Going concern

At 31 July 2019 the company had net assets of £2,337,490 (2018 - £2,427,214) and net current liabilities of £271,788 (2018 - £206,137). The company relies on continued support from Highland & Universal Investments Ltd to be able to meet its liabilities as they fall due and the appropriateness of the going concern basis is dependent on this support being continued. Highland & Universal Investments Ltd have confirmed they will continue to provide this support and accordingly the financial statements have been prepared under the going concern basis.

1.4 Research and development expenditure

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is capitalised at cost and amortised over the period during which the company is expected to benefit.

1.5 Tangible fixed assets

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

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

Fixtures, fittings & equipment	25% per annum reducing balance basis
--------------------------------	--------------------------------------

1 Accounting policies (continued)

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

1.6 Impairment of fixed assets

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

1.7 Cash at bank and in hand

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

1.8 Liabilities

Liabilities are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the arrangement.

Loans

Loans are measured at the undiscounted amount of the cash or other consideration expected to be paid.

Trade creditors

Trade creditors are not interest bearing and are stated at cost.

Notes to the financial statements (continued)
For the year ended 31 July 2019

1 Accounting policies (continued)

1.9 Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Accordingly, a financial instrument is treated as equity if:

- i) There is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- ii) The instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the company exchanging a fixed amount of cash or other fixed assets for a fixed number of the company's own equity instruments.

When shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet; measured initially at fair value net of transaction costs and thereafter at amortised cost until extinguished on conversion or redemption. The corresponding dividends relating to the liability component are charged as interest expense in the income statement. The initial fair value of the liability component is determined using a market rate for an equivalent liability without a conversion feature.

The remainder of the proceeds on issue is allocated to any equity component and included in shareholders' equity, net of transaction costs. The carrying amount of the equity component is not re-measured in subsequent years.

1.10 Taxation

The company's expense on its shares have been accounted for as debt and deferred tax.

R & D tax credits are credited to deferred income and released to the profit and loss account over the expected useful life of the assets.

1.11 Retirement benefits

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

1.12 Leases

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

1.13 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure, including research and development tax credits, are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Notes to the financial statements (continued)
For the year ended 31 July 2019

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Recognition of development expenditure as intangible assets

Development expenditure is capitalised in accordance with the accounting policy in note 1.4. Initial capitalisation is based on management's judgement over the technical, commercial and financial viability of individual projects.

3 Operating loss

	2019	2018
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	18,275	8,500
Taxation compliance services	1,000	2,000
Other non-audit services	3,500	3,851
Depreciation of owned tangible fixed assets	10,882	8,191
Operating lease charges	20,385	3,631
	<u> </u>	<u> </u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 7 (2018 - 5).

5 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	402,519	369,855
	<u> </u>	<u> </u>

Comcarde Limited**Notes to the financial statements (continued)**
For the year ended 31 July 2019**5 Directors' remuneration (continued)**

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

	2019	2018
	£	£
Remuneration for qualifying services	149,814	116,352
	<u> </u>	<u> </u>

6 Interest payable and similar expenses

	2019	2018
	£	£
Group interest payable	-	2,088
	<u> </u>	<u> </u>

7 Taxation

There is no current or deferred tax arising in the year.

8 Intangible fixed assets

	Patents	Development costs	Total
	£	£	£
Cost			
At 1 August 2018	46,263	3,151,223	3,197,486
Additions - internally developed	-	1,993,758	1,993,758
Additions - separately acquired	32,656	-	32,656
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2019	78,919	5,144,981	5,223,900
	<u> </u>	<u> </u>	<u> </u>
Amortisation			
At 1 August 2018 and 31 July 2019	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 July 2019	78,919	5,144,981	5,223,900
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2018	46,263	3,151,223	3,197,486
	<u> </u>	<u> </u>	<u> </u>

Comcarde Limited**Notes to the financial statements (continued)
For the year ended 31 July 2019****9 Tangible fixed assets**

	Fixtures, fittings & equipmen £
Cost	
At 1 August 2018	38,188
Additions	12,077
	<u> </u>
At 31 July 2019	50,265
	<u> </u>
Depreciation and impairment	
At 1 August 2018	13,613
Depreciation charged in the year	10,882
	<u> </u>
At 31 July 2019	24,495
	<u> </u>
Carrying amount	
At 31 July 2019	25,770
	<u> </u>
At 31 July 2018	24,575
	<u> </u>

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	25,265	45,289
	<u> </u>	<u> </u>

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Other borrowings	1,200	1,200
Trade creditors	123,224	156,715
Amounts due to group undertakings	200,597	110,707
Other taxation and social security	20,300	10,666
Accruals and deferred income	60,360	31,531
	<u> </u>	<u> </u>
	405,681	310,819
	<u> </u>	<u> </u>

Comcarde Limited**Notes to the financial statements (continued)**
For the year ended 31 July 2019**12 Creditors: amounts falling due after more than one year**

	2019	2018
	£	£
Ordinary shares classified as debt	17,455	17,455
Amounts owed to group undertakings	2,015,000	-
	<u>2,032,455</u>	<u>17,455</u>

During 2018, 1,745,489 ordinary shares of £0.01 each were re-designated as "B" shares.

These have been classified as debt, in creditors amounts falling due greater than one year.

Amounts included in ordinary shares classified as debt are as follows:

1,745,489 B ordinary shares of £0.01 each classified as debt	<u>17,455</u>	<u>17,455</u>
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13 Government grants

	2019	2018
	£	£
Government grants	607,937	571,255
	<u>607,937</u>	<u>571,255</u>

During the year the company received £36,682 in respect of new government grants.

14 Retirement benefit schemes**Defined contribution schemes**

The company operates a defined contribution pension scheme for all qualifying employees. At the year end the company owed the pension provider £1,571 (2018 - £241).

Notes to the financial statements (continued)
For the year ended 31 July 2019**15 Share capital**

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
2,295,000 A ordinary shares of £1 each	2,295,000	2,130,000
3,150,509 C1 ordinary shares of 1p each	31,505	31,505
660,591 C2 ordinary shares of 1p each	6,606	6,606
	<u>2,333,111</u>	<u>2,168,111</u>
	<u><u>2,333,111</u></u>	<u><u>2,168,111</u></u>

On 11 August 2017, Highland & Universal Investments Ltd ("HUI") took a controlling stake in the Company through a restructuring, under the terms of which HUI undertook to invest up to £1.5 million of new funds, while separately acquiring the entire shareholding of James Goodman for an undisclosed sum. As part of the restructuring, the existing 750,000 Cumulative Redeemable Preference Shares of £1 each were redesignated as "A" shares, and HUI's new funds were invested in further issues of new shares amounting to 1,380,000 ordinary "A" shares of £1 each. These have been classified as equity, reflecting a change to the Articles of Association in June 2019 which clarified the dividend rights attached to these shares.

The existing Ordinary shares of 1p were redesignated as "B" shares, which carry no votes, and the holders of such Ordinary shares were, with the exception of HUI, issued with "C2" shares of 1p on a one-for-one basis, which carry distribution entitlement but no votes. HUI was issued with "C1" shares on the same basis, which do carry votes. This resulted in 3,150,509 "C1" ordinary shares of 1p and 660,591 "C2" ordinary shares of 1p being issued in the year at par.

The "B" shares have been classified as debt, in creditors amounts falling due greater than one year.

The rights of the new classes of share are set out in the new Articles of Association of the Company, which were adopted on 11 August 2017, and revised on 21 June 2019

Notes to the financial statements (continued)
For the year ended 31 July 2019

16 Reserves

Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

17 Operating lease commitments

Lessee

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

	2019	2018
	£	£
Within one year	19,500	19,500
Between two and five years	56,875	76,375
	<u>76,375</u>	<u>95,875</u>

18 Ultimate controlling party

The controlling party is Highland & Universal Investments Ltd.

19 Related party transactions

Remuneration of key management personnel

Directors and certain employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel.

Total remuneration in respect of these individuals is outlined below.

	2019	2018
	£	£
Aggregate compensation	402,519	369,855
	<u>402,519</u>	<u>369,855</u>

Comcarde Limited

Notes to the financial statements (continued) For the year ended 31 July 2019

19 Related party transactions (continued)

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Management fees of £89,813 (2018: £118,238) were charged by Greyfriars Investments Limited. Pauline Bradley is a director of and sole shareholder of this company.

£149,814 (2018: £116,352) was paid to Osborn Partners in respect of directors' services. Peter Osborn is a director and shareholder of this company.

£100,205 (2018: £72,765) was paid to TANC Consulting Limited in respect of directors' services. Thomas Matthews is the sole director and sole shareholder of this company.

Rent and service charges of £20,835 (2018: £3,631) were paid to Gloag Investment Properties Portfolio 2 Limited. Iain Mackintosh is a director of this company and Highland & Universal Investments Limited are the sole shareholder in this company.

There is an amount due to Highland & Universal Investments Limited at 31 July 2019 of £200,597 (2018: £110,707).

20 Cash generated from operations

	2019 £	2018 £
Loss for the year after tax	(254,724)	(206,988)
Adjustments for:		
Finance costs	-	2,088
Depreciation and impairment of tangible fixed assets	10,882	8,191
Increase in deferred income	36,682	2,730
Movements in working capital:		
Decrease/(increase) in debtors	20,024	(34,845)
Increase/(decrease) in creditors	94,862	(219,001)
Cash absorbed by operations	<u>(92,274)</u>	<u>(447,825)</u>

Comcarde Limited

**Management information
for the year ended 31 July 2019**

Comcarde Limited**Detailed trading and profit and loss account
For the year ended 31 July 2019**

	2019	2018
	£	£
Administrative expenses	(254,724)	(204,900)
	<u> </u>	<u> </u>
Operating loss	(254,724)	(204,900)
Interest payable and similar expenses		
Interest payable to group companies	-	(2,088)
	<u> </u>	<u> </u>
Loss before taxation	(254,724)	(206,988)
	<u> </u>	<u> </u>

This page does not form part of the financial statements on which the auditors have reported.

Comcarde Limited**Schedule of administrative expenses
For the year ended 31 July 2019**

	2019	2018
	£	£
Administrative expenses		
Staff recruitment costs	4,125	-
Management charge	89,813	118,238
Rent re operating leases	20,385	3,631
Rent	1,204	16,650
Rates	506	-
Cleaning	3,042	-
Power, light and heat	2,444	-
Property repairs and maintenance	190	-
Premises insurance	1,114	3,166
Computer running costs	1,434	1,955
Travelling expenses	36,249	15,151
Professional subscriptions	2,465	1,508
Legal and professional fees	21,754	13,898
Consultancy fees	9,750	2,614
Accountancy	3,500	3,851
Bookkeeping	6,427	3,220
Taxation compliance services	1,000	2,000
Audit fees	18,275	8,500
Bank charges	275	432
Printing and stationery	150	254
Advertising	12,865	322
Telecommunications	2,214	183
Entertaining	629	15
Sundry expenses	4,032	1,121
Depreciation	10,882	8,191
	<u>254,724</u>	<u>204,900</u>

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