Company registration number: 06542012

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2019

MLPC PARENT LIMITED

MENZIES
BRIGHTER THINKING

MLPC PARENT LIMITED

COMPANY INFORMATION

Directors	Mr V D Ganjavian Dr N Siabi
Registered number	06542012
Registered office	Microlink House Brickfield Lane Chandlers Ford Hampshire SO53 4DP
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 3000a Parkway Whiteley Hampshire PO15 7FX

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2019

Business review

The principal activity of the Group during the year was, and continues to be, the supply of computer hardware and software, and the provision of consultancy services, training, installation services, assistive technology and work place adjustment products and services, and on-going technical support of computer and technological solutions for people with disabilities. The Company continued to be the Group's principal holding company.
The Group's main trading subsidiary, Microlink PC (UK) Limited, achieved a net profit before tax for the year of £916,597 (2018 - £583,300). At the year end, it strenghtened its total Capital and reserves which increased from £13,500,363 to £14,276,583.
The Group's consolidated accounts report a net loss of £705,314 (2018 - loss £1,051,281), which is stated after the deduction of goodwill arising on consolidation of £1,133,333 (2018 - £1,133,333).
For the second consecutive year, Microlink PC (UK) Limited ('Microlink') managed to increase its turnover by around 24%.
This is the result of following the Company's strategy adopted based on its credo and principles. Investing in staff development and establishing closer relationship with customers, further understanding their needs and offering the best solutions based on 25 years of experience in the market, once again proved to be the key to success.
With the growing awareness and understanding of disability globally, on par with Microlink’s on-going high standard of services provided and more specific sector focused marketing, we have managed to add more corporations to our customer base and even more potential customers are showing their interest in our end-to-end customer solutions.
We look forward to a positive outcome with the new DSA tender and expect to continue providing our solutions and helping students on their journey to getting qualifications they desire.
Microlink is on an exciting journey and prior to the Covid-19 pandemic, we anticipated very strong growth in the next 12-18 months, as well as expanding into the public sector with our workplace solutions. To this end, we are strengthening our management team and already we have in-house legal counsel, a part time HR director and a Financial/Commercial Director to help us with the future growth.
We do not expect an adverse impact from Brexit as most of our business is currently in the UK.
Microlink is working with several global employers to roll out our services to their workforce across the World. The Group's newly formed subsidiary, Microlink, Inc. has already started trading in the USA. Feedback from the initial customer is very positive.
The Covid-19 pandemic has impacted the businesses of our customers and inevitably the effects of this have flowed down to Microlink. Different customers have reacted in different ways, but the overall effect has been to provide us with challenges in maintaining the trajectory that the business was on before the outbreak. The Directors are confident, however, that these effects are temporary and these challenges will be overcome.

Principal risks and uncertainties

Risk is present in all businesses and the board regularly reviews the risks faced by the Group and Company.
The directors consider the following to be the major risks and uncertainties faced by the Group and Company.

Market uncertainties

The IT sector by its very nature is one of rapid change and development creating both uncertainty and opportunity. Average selling prices and gross margin per unit of hardware generally reduces with time. Accordingly, the Group constantly seeks to maintain its service levels and differentiate itself with in its market. Additionally, these pressures on the sector as a whole provide opportunities for consolidation enabling on-going efficiency gains and ensuring the delivery of best value to customers.

Interest rate risks

Deposits are placed on fixed and variable rate terms for periods from overnight to one month based on forecasted cash flows and interest rate trends. The directors consider that the interest rate risk is at an acceptable level, and the appropriate safeguards are in place to mitigate these risks.

Supply of components

The Group configures its hardware to customer order on short lead time. There is, therefore, a potential risk of order fulfilment during times of industry wide component constraints. This is mitigated by multi-sourcing, strong long term supply arrangements including planning, forecasting and buffer stocks where appropriate.

Liquidity risks

The Group and Company retains sufficient cash to ensure sufficient funds are available for operations.

Credit risk

The bulk of our customers are Student Finance, Local Education Authorities, large listed companies, Schools and other government funded institutions. Because of this, the risk of financial loss to the Group arising from the failure of the Group's customers to meet their financial obligations for the services provided by the Group is very low.

Operational risk

Operational efficiency is of paramount importance in a business dedicated to delivering best value in quality and service. Our risk management approach encourages a proportionate response to each area of operational risk, with a combination of generic standards and local ownership. Supply chain resilience and product quality management are regarded as two key operational risks.
The Company's shareholders are committed and in principle have funds available to provide additional ongoing financial support for further development or any other requirement of the Group.

Coronavirus (Covid-19)

In accordance with Government measures as at the date of this report, employees are working from home unless this is not possible. Our customers have likewise been impacted by the virus and by the measures taken in the fight against it. In order to mitigate the impact of this on the business, employees have been placed on furlough where appropriate. The Company is eligible for support from the Government’s Job Retention Scheme and has applied for this support.
The directors have carefully considered the situation and have concluded that the resources of the Group and Company are adequate to withstand the impact of the virus.

Financial key performance indicators

The key financial performance indicators for the Group are centred around turnover, gross margin and EBITDA. There is also a continued focus on the operational cost base to ensure that it remains at the correct level to support the ongoing business requirement.

Key Performance Indicators

	2019	2018	Variance	Variance
	£	£	£	%
Sales	**13,101,545**	**10,619,454**	**2,482,091**	**23**
Gross profit	**3,933,945**	**3,226,458**	**707,487**	**22**
EBITDA	**963,922**	**666,975**	**296,947**	**45**

This report was approved by the board and signed on its behalf.

....
Dr N Siabi
Director

Date: 24 July 2020

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £705,314 *(2018 - loss £1,051,281)*.

The directors have not recomended a dividend.

Directors

The directors who served during the year were:

Mr V D Ganjavian
Dr N Siabi

Future developments

The directors will continue to focus on the growth of the Group, whilst ensuring they maintain a high level of service.

Going concern

The directors have a reasonable expectation that the Group and Company have adequate resources to continue operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Matters covered in the strategic report

The Company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Group's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

The Covid-19 pandemic has had a material effect upon the business which is more fully described in the Business Review and the Principal Risks and Uncertainties sections of these Financial Statements.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

....
Dr N Siabi
Director

Date: 24 July 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MLPC PARENT LIMITED

Opinion

We have audited the financial statements of MLPC Parent Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 July 2019, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 July 2019 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

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 Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MLPC PARENT LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

James Hadfield FCA (Senior Statutory Auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

3000a Parkway
Whiteley
Hampshire
PO15 7FX

24 July 2020

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	*As restated* *2018* *£*
Turnover	4	**13,101,545**	*10,619,454*
Cost of sales		**(9,167,600)**	*(7,392,996)*
Gross profit		**3,933,945**	*3,226,458*
Distribution costs		**(636,414)**	*(598,231)*
Administrative expenses		**(3,611,477)**	*(3,184,439)*
Other operating income	5	**85,687**	*9,143*
Operating loss	6	**(228,259)**	*(547,069)*
Interest receivable and similar income	10	**5,172**	*86*
Interest payable and similar expenses	11	**(341,850)**	*(444,735)*
Loss before tax		**(564,937)**	*(991,718)*
Tax on loss	12	**(140,377)**	*(59,563)*
Loss for the financial year		**(705,314)**	*(1,051,281)*
Loss for the year attributable to:			
Owners of the parent		**(705,314)**	*(1,051,281)*
		(705,314)	*(1,051,281)*

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	*As restated* *2018* *£*
Loss for the financial year		**(705,314)**	*(1,051,281)*
Other comprehensive income			
Total comprehensive income for the year		**(705,314)**	*(1,051,281)*
(Loss) for the year attributable to:			
Owners of the parent Company		**(705,314)**	*(1,051,281)*
		(705,314)	*(1,051,281)*
Total comprehensive income attributable to:			
Owners of the parent Company		**(705,314)**	*(1,051,281)*
		(705,314)	*(1,051,281)*

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019

	Note		2019 £		*As restated* *2018* *£*
Fixed assets					
Intangible assets	13		**10,201,582**		*11,334,915*
Tangible assets	14		**518,893**		*555,853*
			10,720,475		*11,890,768*
Current assets					
Stocks	16	**601,274**		*614,891*	
Debtors: amounts falling due within one year	17	**1,885,240**		*1,611,218*	
Cash at bank and in hand	18	**716,542**		*949,374*	
		3,203,056		*3,175,483*	
Creditors: amounts falling due within one year	19	**(25,410,836)**		*(25,824,033)*	
Net current liabilities			**(22,207,780)**		*(22,648,550)*
Total assets less current liabilities			**(11,487,305)**		*(10,757,782)*
Creditors: amounts falling due after more than one year	20		**(67,615)**		*(94,754)*
Provisions for liabilities					
Deferred taxation	22	**(4,933)**		*(2,003)*	
			(4,933)		*(2,003)*
Net assets excluding pension asset			**(11,559,853)**		*(10,854,539)*
Net liabilities			**(11,559,853)**		*(10,854,539)*
Capital and reserves					
Called up share capital	23		**10,000,000**		*10,000,000*
Profit and loss account	24		**(21,559,853)**		*(20,854,539)*
Equity attributable to owners of the parent Company			**(11,559,853)**		*(10,854,539)*
			(11,559,853)		*(10,854,539)*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

....

Dr N Siabi
Director

Date: 24 July 2020

The notes on pages 19 to 38 form part of these financial statements.

	Note		2019 £		*As restated* *2018* *£*
Fixed assets					
Investments	15		**21,030,000**		*21,030,000*
			21,030,000		*21,030,000*
Current assets					
Debtors: amounts falling due within one year	17	**-**		*8,476*	
Cash at bank and in hand	18	**664**		*664*	
		664		*9,140*	
Creditors: amounts falling due within one year	19	**(27,323,520)**		*(26,990,146)*	
Net current liabilities			**(27,322,856)**		*(26,981,006)*
Total assets less current liabilities			**(6,292,856)**		*(5,951,006)*
Net assets excluding pension asset			**(6,292,856)**		*(5,951,006)*
Net liabilities			**(6,292,856)**		*(5,951,006)*
Capital and reserves					
Called up share capital	23		**10,000,000**		*10,000,000*
Profit and loss account brought forward		**(15,951,006)**		*(15,506,319)*	
Loss for the year		**(341,850)**		*(444,687)*	
Profit and loss account carried forward			**(16,292,856)**		*(15,951,006)*
			(6,292,856)		*(5,951,006)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

. . . .
Dr N Siabi
Director

Date: 24 July 2020

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 August 2018 (as previously stated)	**10,000,000**	**(20,233,640)**	**(10,233,640)**	**(10,233,640)**
Prior year adjustment	**-**	**(620,899)**	**(620,899)**	**(620,899)**
At 1 August 2018 (as restated)	**10,000,000**	**(20,854,539)**	**(10,854,539)**	**(10,854,539)**
Comprehensive income for the year				
Loss for the year	**-**	**(705,314)**	**(705,314)**	**(705,314)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**(705,314)**	**(705,314)**	**(705,314)**
Total transactions with owners	**-**	**-**	**-**	**-**
At 31 July 2019	**10,000,000**	**(21,559,853)**	**(11,559,853)**	**(11,559,853)**

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 August 2017 (as previously stated)	10,000,000	(19,313,688)	(9,313,688)	(9,313,688)
Prior year adjustment	-	(489,570)	(489,570)	(489,570)
At 1 August 2017 (as restated)	10,000,000	(19,803,258)	(9,803,258)	(9,803,258)
Comprehensive income for the year				
Loss for the year	-	(1,051,281)	(1,051,281)	(1,051,281)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	(1,051,281)	(1,051,281)	(1,051,281)
Total transactions with owners	-	-	-	-
At 31 July 2018	10,000,000	(20,854,539)	(10,854,539)	(10,854,539)

The notes on pages 19 to 38 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2018 (as previously stated)	**10,000,000**	**(15,330,107)**	**(5,330,107)**
Prior year adjustment	**-**	**(620,899)**	**(620,899)**
At 1 August 2018 (as restated)	**10,000,000**	**(15,951,006)**	**(5,951,006)**
Comprehensive income for the year			
Loss for the year	**-**	**(341,850)**	**(341,850)**
At 31 July 2019	**10,000,000**	**(16,292,856)**	**(6,292,856)**

The notes on pages 19 to 38 form part of these financial statements.

MLPC PARENT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2017 (as previously stated)	10,000,000	(15,016,749)	(5,016,749)
Prior year adjustment	-	(489,570)	(489,570)
At 1 August 2017 (as restated)	10,000,000	(15,506,319)	(5,506,319)
Comprehensive income for the year			
Loss for the year	-	(444,687)	(444,687)
At 31 July 2018	10,000,000	(15,951,006)	(5,951,006)

The notes on pages 19 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

	2019 £	*As restated 2018 £*
Cash flows from operating activities		
Loss for the financial year	**(705,314)**	*(1,051,281)*
Adjustments for:		
Amortisation of intangible assets	**1,185,281**	*1,184,437*
Depreciation of tangible assets	**6,900**	*29,610*
Loss on disposal of tangible assets	**(3,800)**	*-*
Interest paid	**341,850**	*444,735*
Interest received	**(5,172)**	*(86)*
Taxation charge	**140,377**	*59,563*
Decrease/(increase) in stocks	**13,617**	*(113,479)*
(Increase) in debtors	**(269,965)**	*(186,309)*
(Decrease)/increase in creditors	**(511,701)**	*424,599*
Corporation tax (paid)/received	**(70,142)**	*-*
Net cash generated from operating activities	**121,931**	*791,789*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(21,885)**	*(13,427)*
Sale of tangible fixed assets	**3,800**	*-*
Interest received	**5,172**	*86*
Net cash from investing activities	**(12,913)**	*(13,341)*
Cash flows from financing activities		
Interest paid	**(341,850)**	*(444,735)*
Net cash used in financing activities	**(341,850)**	*(444,735)*
Net (decrease)/increase in cash and cash equivalents	**(232,832)**	*333,713*
Cash and cash equivalents at beginning of year	**949,374**	*615,661*
Cash and cash equivalents at the end of year	**716,542**	*949,374*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**716,542**	*949,374*
	716,542	*949,374*

The notes on pages 19 to 38 form part of these financial statements.

1. General information

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.
MLPC Parent Limited is a private company, limited by shares, which is incorporated and domiciled in the United Kingdom. The address of the Company's registered office, which is also its principal place of business, is disclosed on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.
The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained. They are deconsolidated from the date control ceases.
In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 August 2014.

2.3 Going concern

The Coronavirus pandemic is creating significant uncertainty globally and is impacting many businesses, and Microlink is not immune to this. The directors are working to ensure the safety of their employees and to maintain the continuity of operations, whilst adhering to Government advice. Although the pandemic will have a financial impact on the Group and Company, it is not possible at this stage to reliably forecast what this might be. The directors, however, have taken measures to monitor their cashflow carefully and to safeguard jobs, customers and supply chains to place the Group and Company in the best possible position to continue its growth and profitability, once Government restrictions have eased and business starts to return to normal.
The Directors have carefully reviewed the uncertainties that have arisen and as a result of the actions taken by the Group and given its strong cash position, the directors believe that this should enable the Group and Company to continue its operational existence for a period of at least 12 months from the approval of these accounts, and they consider the going concern basis of preparation continues to be appropriate.

MLPC PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Income Statement within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2. Accounting policies (continued)

2.5 Revenue

Revenue 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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract 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.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Income Statement on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 August 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.
If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Interest income

Interest income is recognised in the Consolidated Income Statement using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Consolidated Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer’s interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Income Statement over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill on consolidation	-	20	years

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	-	25	years straight line
Plant and machinery	-	4	years straight line
Motor vehicles	-	4	years straight line
Fixtures and fittings	-	4	years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Income Statement.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Income Statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.
When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Income Statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fixed Asset Residual Values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

4. Turnover

The turnover and profit before tax are attributable to the one principal activity of the Group.

Analysis of turnover by country of destination:

	2019	*2018*
	£	*£*
United Kingdom	**13,099,298**	*10,615,922*
Rest of the world	**2,247**	*3,532*
	13,101,545	*10,619,454*

5. Other operating income

	2019	*2018*
	£	*£*
Sundry income	**85,687**	*9,143*
	85,687	*9,143*

6. Operating loss

The operating loss is stated after charging:

	2019	*2018*
	£	*£*
Research & development charged as an expense	**36,997**	*33,279*
Exchange differences	**68**	*1,357*
Other operating lease rentals	**134,000**	*134,000*

7. Auditors' remuneration

	2019	*2018*
	£	*£*
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**22,125**	*17,300*

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019	*Group 2018*	**Company 2019**	*Company 2018*
	£	*£*	**£**	*£*
Wages and salaries	**2,149,696**	*1,858,350*	**-**	-
Social security costs	**181,712**	*158,710*	**-**	-
Cost of defined contribution scheme	**42,916**	*34,361*	**-**	-
	2,374,324	*2,051,421*	**-**	-

The average monthly number of employees, including the directors, during the year was as follows:

	2019	*2018*
	No.	*No.*
Administrative staff	**89**	*77*

The Company has no employees other than the directors, who did not receive any remuneration *(2018 - £NIL)*

9. Directors' remuneration

	2019	*2018*
	£	*£*
Directors' emoluments - group	**35,000**	*16,000*
	35,000	*16,000*

10. Interest receivable

	2019	*2018*
	£	*£*
Other interest receivable	**5,172**	*86*
	5,172	*86*

11. Interest payable and similar expenses

	2019	*As restated* *2018*
	£	*£*
Bank interest payable	**-**	*46*
Other loan interest payable	**228,023**	*313,356*
Dividend accrued on preference shares classified as debt	**113,827**	*131,329*
	341,850	*444,735*

12. Taxation

	2019	*2018*
	£	*£*
Corporation tax		
Current tax on profits for the year	**137,447**	*64,084*
	137,447	*64,084*
Total current tax	**137,447**	*64,084*
Deferred tax		
Origination and reversal of timing differences	**2,930**	*(4,521)*
Total deferred tax	**2,930**	*(4,521)*
Taxation on profit on ordinary activities	**140,377**	*59,563*

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2018 - higher than)* the standard rate of corporation tax in the UK of 19% *(2018 - 19%)*. The differences are explained below:

	2019 £	*As restated* *2018* *£*
Loss on ordinary activities before tax	**(564,937)**	*(991,718)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**(107,338)**	*(188,426)*
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**215,333**	*215,333*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**21,913**	*25,296*
Capital allowances for year in excess of depreciation	**9,506**	*8,073*
Tax losses	**963**	*(713)*
Total tax charge for the year	**140,377**	*59,563*

13. Intangible assets

Group

	Goodwill on consolidation
	£
Cost	
At 1 August 2018	**35,846,383**
At 31 July 2019	**35,846,383**
Amortisation	
At 1 August 2018	**24,511,468**
Charge for the year	**1,133,333**
At 31 July 2019	**25,644,801**
Net book value	
At 31 July 2019	**10,201,582**
At 31 July 2018	*11,334,915*

14. Tangible fixed assets

Group

	Long-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	**£**	**£**	**£**	**£**
Cost or valuation					
At 1 August 2018	**1,163,501**	**91,943**	**33,347**	**392,134**	**1,680,925**
Additions	**4,868**	**-**	**-**	**17,017**	**21,885**
Disposals	**-**	**-**	**(9,505)**	**-**	**(9,505)**
At 31 July 2019	**1,168,369**	**91,943**	**23,842**	**409,151**	**1,693,305**

Depreciation

At 1 August 2018	**624,511**	**87,507**	**33,347**	**379,707**	**1,125,072**
Charge for the year on owned assets	**51,948**	**1,479**	**-**	**5,421**	**58,848**
Disposals	**-**	**-**	**(9,505)**	**-**	**(9,505)**
At 31 July 2019	**676,459**	**88,986**	**23,842**	**385,128**	**1,174,415**
Net book value					
At 31 July 2019	**491,910**	**2,957**	**-**	**24,023**	**518,890**
At 31 July 2018	*538,990*	*4,436*	*-*	*12,427*	*555,853*

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2019 £	*2018 £*
Long leasehold	**491,910**	*538,990*
	491,910	*538,990*

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2018	**21,030,000**
At 31 July 2019	**21,030,000**
Net book value	
At 31 July 2019	**21,030,000**
At 31 July 2018	*21,030,000*

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Microlink Group Limited	Microlink House, Brickfield Lane, Chandlers Ford, Hampshire SO53 4DP	Ordinary	100

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Microlink PC (UK) Limited	Microlink House, Brickfield Lane, Chandlers Ford, Hampshire SO53 4DP	Ordinary	100%
Microlink PC Limited (BVI)	East Asia Chambers, PO Box 901, Road Town, Tortola British Virgin Islands	Ordinary	100%
Microlink Global Limited	Microlink House, Brickfield Lane, Chandlers Ford, Hampshire SO53 4DP	Ordinary	100%
Hearability PTY Limited	1 Rotspunt Close, Melkbostrand, Cape Town, 7441, Republic of South Africa	Ordinary	100%
Microlink, Inc.	251 Little Falls Drive, Wilmington, DE 19808, United States	-	100%

16. Stocks

	Group 2019 £	*Group 2018 £*
Finished goods and goods for resale	**601,274**	*614,891*
	601,274	*614,891*

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £8,031,648 *(2018 - £6,492,935)*.

17. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	**1,489,077**	*1,417,187*	**-**	*-*
Other debtors	**9,372**	*25,954*	**-**	*8,476*
Prepayments and accrued income	**386,791**	*168,080*	**-**	*-*
	1,885,240	*1,611,221*	**-**	*8,476*

18. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	**716,542**	*949,374*	**664**	*664*
	716,542	*949,374*	**664**	*664*

19. Creditors: Amounts falling due within one year

	Group 2019 £	Group As restated 2018 £	Company 2019 £	Company As restated 2018 £
Trade creditors	**668,616**	*806,921*	**-**	*-*
Amounts owed to group undertakings	**-**	*-*	**3,583,986**	*2,798,981*
Corporation tax	**135,444**	*64,084*	**-**	*-*
Other taxation and social security	**199,817**	*203,180*	**-**	*-*
Other creditors	**10,162,218**	*10,679,864*	**10,004,808**	*10,570,266*
Accruals and deferred income	**1,244,741**	*1,069,983*	**734,726**	*620,899*
Share capital treated as debt	**13,000,000**	*13,000,000*	**13,000,000**	*13,000,000*
	25,410,836	*25,824,032*	**27,323,520**	*26,990,146*

20. Creditors: Amounts falling due after more than one year

	Group 2019 £	*Group 2018 £*
Other creditors	**23,512**	*23,512*
Accruals and deferred income	**44,103**	*71,242*
	67,615	*94,754*

21. Financial instruments

	Group 2019 £	*Group As restated 2018 £*	Company 2019 £	*Company As restated 2018 £*
Financial assets				
Financial assets measured at fair value through profit or loss	**716,542**	*949,374*	**664**	*664*
Financial assets that are debt instruments measured at amortised cost	**1,493,233**	*1,442,077*	**-**	*8,476*
	2,209,775	*2,391,451*	**664**	*9,140*
Financial liabilities				
Financial liabilities measured at amortised cost	**(15,073,519)**	*(15,010,750)*	**-**	*-*

Financial assets measured at amortised cost comprise of trade debtors, intercompany debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, intercompany loans, directors' loans, preference shares and other creditors.

22. Deferred taxation

Group

	2019 £
At beginning of year	**2,003**
Credited to profit or loss	**(2,930)**
At end of year	**4,933**

22. Deferred taxation (continued)

	Group 2019 £	*Group 2018 £*
Accelerated capital allowances	**4,933**	*2,003*
	4,933	*2,003*

23. Share capital

	2019 £	*2018 £*
Shares classified as equity		
Allotted, called up and fully paid		
10,000,000 *(2018 - 10,000,000)* Ordinary shares shares of £1.00 each	**10,000,000**	*10,000,000*

Each Ordinary share has equal voting and dividend rights.

	2019 £	*2018 £*
Shares classified as debt		
Allotted, called up and fully paid		
13,000,000 *(2018 - 13,000,000)* Preference shares shares of £1.00 each	**13,000,000**	*13,000,000*

24. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

25. Prior year adjustment

The accounts have been restated to incorporate the inclusion of an accrued dividend on preference shares classified as debt. The change has resulted in profit and loss reserves at 31 July 2018 decreasing by £620,899 and by £489,570 at 31 July 2017, with a corresponding increase to accruals. The loss for the year ended 31 July 2018 has increased by £131,329.

26. Contingent liabilities

HM Revenue & Customs have raised enquiries into the operation of an Employee Benefit Trust (EBT) set up by one of the Group's subsidiaries in the past and Accelerated Payment Notices have been issued on 14 November 2018. The EBT was entered into by Microlink PC (UK) Limited. The enquiries relate to whether payments to the EBT should have been subject to PAYE and National Insurance contributions. If HMRC is successful with their claims and the subsidiary is held liable to pay the amounts claimed, a tax liability of up to £1,646,280 could arise on the Group. No liability has been recorded in the financial statements as these claims are contested and because the majority of the tax that could become payable would be recoverable from the beneficiaries of the EBT. Any amount payable by the Group would also be partly offset by corporation tax relief.

27. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £42,916 (2018 - £34,361). Contributions totalling £108 (2018 - £5,663) were payable to the fund at the balance sheet date and are included in creditors.

28. Commitments under operating leases

At 31 July 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	*Group As restated 2018 £*
Property		
Not later than 1 year	**134,000**	*134,000*
	134,000	*134,000*

Rent recognised in administrative expenses during the year as an expense was £134,000 (2018 - £134,000).

	Group 2019 £	*Group 2018 £*
Other		
Not later than 1 year	**28,285**	*28,285*
Later than 1 year and not later than 5 years	**17,988**	*46,273*
	46,273	*74,558*

29. Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard Section 33 from the requirement to disclose transactions with group companies on the grounds that they are wholly owned within the Group.

Directors' transactions:

At the year end the Company owed the directors loans to the value of £10,004,808 (2018 - £10,570,266). Interest was paid to Dr N Siabi during the year totalling £228,023 (2018 - £313,358).

Other related party transactions:

During the year, Microlink PC (UK) Limited, a wholly owned subsidiary, paid rent to APIC Trustees, which is a related party by means of its interest in the Company. The value of the rent payable was £134,000 (2018 - £134,000).

30. Post balance sheet events

The emergence and spread of Covid-19 in 2020 and the associated social distancing measures & imposed travel restrictions have significantly impacted businesses globally. The Group is not immune to this and the Covid-19 pandemic has had a material effect upon the business since the year end, which is more fully described in the Business Review and the Principal Risks & Uncertainties sections included within the Strategic Report to these Financial Statements.

31. Controlling party

The Company and Group is under the control of Mr V Ganjavian.