

REGISTERED NUMBER: 08153977 (England and Wales)

Strategic Report, Report of the Director and  
Financial Statements for the Year Ended 30 June 2019

for

B.C. Strategy UK Ltd



Buzzacott LLP (Statutory Auditor)  
130 Wood Street  
London  
EC2V 6DL

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for the Year Ended 30 June 2019

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B.C. Strategy UK Ltd

Company Information  
for the Year Ended 30 June 2019

<b>DIRECTOR:</b>	Dr A Yanus
<b>REGISTERED OFFICE:</b>	City Point 1 Ropemaker Street Moorgate London EC2Y 9HT
<b>REGISTERED NUMBER:</b>	08153977 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Katherine White
<b>AUDITORS:</b>	Buzzacott LLP (Statutory Auditor) 130 Wood Street London EC2V 6DL

Strategic Report  
for the Year Ended 30 June 2019

The director presents his strategic report for the year ended 30 June 2019.

B.C. Strategy UK Ltd (hereinafter, "the Company"), commercially known as Black Cube, is a business intelligence and strategic consultancy firm based in London and Madrid. The Company comprises a select group of veterans of elite units in the Israeli intelligence community, as well as financial and legal experts, and its activity is supported by top-tier law firms and legal consultants, business consultants and accountants. The Company was established in 2012, its sole director is Dr. Avi Yanus, and it is fully owned by B.C. Strategy Ltd. (incorporated in Israel). B.C. Strategy UK Ltd is a private company, limited by shares, and registered in England and Wales.

**REVIEW OF BUSINESS**

The Company's line of business is mainly providing tailor-made solutions to business challenges through gathering high-quality intelligence and providing its clients strategic consultancy and guidance. The solutions are focused mostly on litigation support on complex legal proceedings, asset tracing for private and public entities, and thorough due diligence investigations. The Company's circle of clients includes several multi-national corporations and international law firms, and it has executed projects in over 65 countries around the world so far. After the year end, the number of the Company's employees has now increased to 25, and the Company allocates vast resources in developing specific technological solutions to meet the challenges of its work.

In the year under review, income increased to £20,935,647, from £14,943,040 in 2018. In 2019 profit before tax increased to £3,090,685 from £2,676,391 in 2018.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company has two major risks – first, the service it provides is on a project basis – each project lasts around four to six months and most of the clients have one or at most two projects. The projects are part of major litigation cases and complex investigations, so it is rare that a business needs the Company's services more than once. Therefore, the Company needs to constantly maintain its reputation, strengthen its brand and obtain new clients with new cases. This risk is similar to the risk experienced by major litigation firms. Another major risk is the fluctuations in foreign currency – the Company's incomes are mostly in British Pounds, and some are in Euros and US Dollars. However, around 70% of its expenses are in New Israeli Shekels ("NIS"), as part of its inter-company agreement with the parent company (B.C. Strategy Ltd.) signed in 2012. The agreement sets an 'at cost +' model for consultancy services provided by the parent company, that are priced in NIS. The Company doesn't have any influence on currency rates, so if the British Pound's value decreases, or the New Israeli Shekel's value increases, the company bears the costs.

Another recently emerged risk is the effect of SARS-CoV2 ("Corona Virus") on the Company's business and investments. Since the Company's business depends on international travelling and meetings, there might be a slow-down in business within the end of March-beginning of April 2020. However, since Easter and Passover (Jewish holiday) holidays occur around March-April, there's an annual inherent slow-down in business in that period, so the effect of the Corona Virus should not be significant. In addition, the Corona Virus might bring a potential downfall in held investments' market values, due to the global fall in stock markets. Since the extent and duration of the risks are yet to be known, and do not affect the 2019 accounts, no adjustments have been made as a result.

The Company does not anticipate any impact from Brexit.

**ON BEHALF OF THE BOARD:**



Dr A Yanus - Director

26 March 2020

Report of the Director  
for the Year Ended 30 June 2019

The director presents his report with the financial statements of B.C. Strategy UK Ltd for the year ended 30 June 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of business intelligence services.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2019.

**DIRECTOR**

Dr A Yanus held office during the whole of the period from 1 July 2018 to the date of this report.

**DISCLOSURE IN THE STRATEGIC REPORT**

The company has chosen in accordance with s414C(11) Companies Act 2006 to set out in the group's Strategic Report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained on the Directors' Report. It has done so in respect of discussions of risk exposure and future developments.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Buzzacott LLP (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Dr A Yanus - Director

26 March 2020

Report of the Independent Auditors to the Members of  
B.C. Strategy UK Ltd

**Opinion**

We have audited the financial statements of B.C. Strategy UK Ltd (the 'company') for the year ended 30 June 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 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 company's affairs as at 30 June 2019 and of its profit 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 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.

**Material uncertainty related to going concern - Corona Virus**

We draw attention to note 2 in the financial statements regarding going concern, which indicates that the Corona Virus pandemic is an inherent material uncertainty regarding the company's ability to continue as a going concern because it is not possible to predict the outcome of this unprecedented event. Our opinion is not modified in respect of this matter.

**Other information**

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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 the audit:

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

Report of the Independent Auditors to the Members of  
B.C. Strategy UK Ltd

**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 Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 a Report of the Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

*Bzzacott LLP*

Katherine White (Senior Statutory Auditor)  
for and on behalf of Buzzacott LLP (Statutory Auditor)  
130 Wood Street  
London  
EC2V 6DL

26 March 2020

**Income Statement**  
**for the Year Ended 30 June 2019**

	Notes	30.6.19 £	30.6.18 £
<b>TURNOVER</b>	3	20,935,647	14,943,040
Administrative expenses		<u>(19,186,612)</u>	<u>(12,648,625)</u>
		1,749,035	2,294,415
Other operating income		222,364	(1,333)
Gain/loss on revaluation of investments		<u>1,109,759</u>	<u>370,988</u>
<b>OPERATING PROFIT</b>	5	3,081,158	2,664,070
Interest receivable and similar income		<u>9,527</u>	<u>12,321</u>
<b>PROFIT BEFORE TAXATION</b>		3,090,685	2,676,391
Tax on profit	6	<u>(222,555)</u>	<u>(323,245)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>2,868,130</u></u>	<u><u>2,353,146</u></u>

The notes form part of these financial statements



Other Comprehensive Income  
for the Year Ended 30 June 2019

	Notes	30.6.19 £	30.6.18 £
<b>PROFIT FOR THE YEAR</b>		2,868,130	2,353,146
<b>OTHER COMPREHENSIVE INCOME</b>		<u>                    </u>	<u>                    </u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>2,868,130</u>	
Prior year adjustment			<u>(283,864)</u>
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>			<u>2,069,282</u>

Balance Sheet  
30 June 2019

		30.6.19		30.6.18	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		40,623		36,942
<b>CURRENT ASSETS</b>					
Debtors	8	3,523,968		1,333,025	
Investments	9	7,748,727		5,722,852	
Cash at bank		242,233		1,392,434	
		<u>11,514,928</u>		<u>8,448,311</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	2,905,550		3,204,081	
<b>NET CURRENT ASSETS</b>			<u>8,609,378</u>		<u>5,244,230</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,650,001</u>		<u>5,281,172</u>
<b>PROVISIONS FOR LIABILITIES</b>	14		<u>507,718</u>		<u>7,019</u>
<b>NET ASSETS</b>			<u><u>8,142,283</u></u>		<u><u>5,274,153</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1,000		1,000
Retained earnings	16		8,141,283		5,273,153
<b>SHAREHOLDERS' FUNDS</b>			<u><u>8,142,283</u></u>		<u><u>5,274,153</u></u>

The financial statements were approved by the director on 26 March 2020 and were signed by:



Dr A. Yanus - Director

**Statement of Changes in Equity**  
**for the Year Ended 30 June 2019**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 July 2017</b>	1,000	3,203,871	3,204,871
Prior year adjustment	-	(283,864)	(283,864)
As restated	1,000	2,920,007	2,921,007
<b>Changes in equity</b>			
Total comprehensive income	-	2,353,146	2,353,146
<b>Balance at 30 June 2018</b>	1,000	5,273,153	5,274,153
<b>Changes in equity</b>			
Total comprehensive income	-	2,868,130	2,868,130
<b>Balance at 30 June 2019</b>	1,000	8,141,283	8,142,283

**Cash Flow Statement**  
for the Year Ended 30 June 2019

	Notes	30.6.19 £	30.6.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(3,298)	4,624,356
Director's loans		(350,000)	(150,000)
Amounts owed by/to group undertakings		(926,443)	762,965
Provision for legal claims		500,000	-
Tax paid		(430,538)	(214,588)
Tax and social security		(9,806)	148,092
Deferred tax		699	(2,478)
Other movements		65,173	(2,252)
<b>Net cash from operating activities</b>		<b>(1,154,213)</b>	<b>5,166,095</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(35,972)	(49,926)
Fixed asset investments		(916,117)	(4,010,944)
Interest received		9,527	12,321
<b>Net cash from investing activities</b>		<b>(942,562)</b>	<b>(4,048,549)</b>
<b>Cash flows from financing activities</b>			
New loans in year		946,574	-
<b>Net cash from financing activities</b>		<b>946,574</b>	<b>-</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(1,150,201)</b>	<b>1,117,546</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>1,392,434</b>	<b>274,888</b>
<b>Cash and cash equivalents at end of year</b>	2	<b>242,233</b>	<b>1,392,434</b>

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2019

<b>1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS</b>		
	30.6.19	30.6.18
	£	£
Profit before taxation	3,090,685	2,676,391
Depreciation charges	32,291	41,919
Gain on revaluation of fixed assets	(1,109,759)	(370,988)
Finance income	(9,527)	(12,321)
	<u>2,003,690</u>	<u>2,335,001</u>
(Increase)/decrease in trade and other debtors	(1,547,631)	1,233,535
(Decrease)/increase in trade and other creditors	(459,357)	1,055,820
	<u>(3,298)</u>	<u>4,624,356</u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 June 2019**

	30.6.19	1.7.18
	£	£
Cash and cash equivalents	<u>242,233</u>	<u>1,392,434</u>

**Year ended 30 June 2018**

	30.6.18	1.7.17
	£	£
Cash and cash equivalents	<u>1,392,434</u>	<u>274,888</u>

Notes to the Financial Statements  
for the Year Ended 30 June 2019

**1. STATUTORY INFORMATION**

B.C. Strategy UK Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The company's principal place of business is the registered office.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The company has sufficient liquid resources to continue as a going concern for the foreseeable future and the director believes the company will be able to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

However, the Corona Virus pandemic is an inherent material uncertainty regarding the company's ability to continue as a going concern because it is not possible to predict the outcome of this unprecedented event. The director is implementing contingency plans to mitigate any negative effects and therefore does not believe that the effect of the Corona Virus will be significant. The financial statements have therefore been prepared on the going concern basis.

**Critical accounting judgements and key sources of estimation uncertainty**

In the course of preparing the financial statements, no judgements have been made in the process of applying the company's accounting policies, (other than those involving estimations), that have had a significant effect on the amounts recognised in the financial statements.

The director considers that the area where uncertainty of estimation arises is deferred income.

**Turnover and rendering of services**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover represents the amounts derived from the provision of business intelligence services, which falls within the company's ordinary activities, all of which are continuing, stated net of value added tax.

Turnover arising from the provision of business intelligence services is assessed on a contract by contract basis and reflected in the statement of income and retained earnings by recording turnover and related costs as contract activity progresses. Turnover is calculated as the proportion of total contract value which contract costs to date bear to total expected contract costs.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2019

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Financial instruments**

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 profit or loss.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pensions**

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

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**Valuation of investments**

Investments are measured at the fair value of the portfolio investment. Gains and losses on remeasurement are recognised in the profit and loss in the year.

**Debtors and creditors**

Short term debtors are measured at transaction price, less any impairment such as provision for doubtful debts.

Short term creditors are measured at the transaction price.

**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 provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2019

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	30.6.19	30.6.18
	£	£
United Kingdom	1,628,000	1,162,002
Europe	4,476,570	3,195,199
United States of America	8,035,621	5,735,511
South America	2,776,000	1,981,399
Asia	1,235,560	881,894
Australia	160,000	114,202
Canada	968,000	690,920
Caribbean	1,655,896	1,181,913
	<u>20,935,647</u>	<u>14,943,040</u>

**4. EMPLOYEES AND DIRECTORS**

	30.6.19	30.6.18
	£	£
Wages and salaries	1,053,787	919,375
Social security costs	118,092	100,724
Other pension costs	15,418	9,955
	<u>1,187,297</u>	<u>1,030,054</u>

The average number of employees during the year was as follows:

30.6.19	30.6.18
<u>20</u>	<u>20</u>

	30.6.19	30.6.18
	£	£
Director's remuneration	<u>90,000</u>	<u>90,000</u>

**Key Management personnel**

Key management personnel includes the director of the company only.

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	30.6.19	30.6.18
	£	£
Depreciation - owned assets	32,291	41,919
Auditors' remuneration	23,000	22,000
Foreign exchange differences	<u>(222,364)</u>	<u>1,333</u>



Notes to the Financial Statements - continued  
for the Year Ended 30 June 2019

6. **TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	30.6.19	30.6.18
	£	£
Current tax:		
UK corporation tax	221,856	381,788
Adjustments in respect of prior years	-	(56,065)
Total current tax	<u>221,856</u>	<u>325,723</u>
Deferred tax	699	(2,478)
Tax on profit	<u><u>222,555</u></u>	<u><u>323,245</u></u>

UK corporation tax has been charged at 19%.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.19	30.6.18
	£	£
Profit before tax	<u><u>3,090,685</u></u>	<u><u>2,676,391</u></u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	587,230	508,514
Effects of:		
Expenses not deductible for tax purposes	1,855	3,129
Income not taxable for tax purposes	(210,855)	-
Adjustments to tax charge in respect of previous periods	-	(56,065)
Research & Development enhanced deduction	<u>(155,675)</u>	<u>(132,333)</u>
Total tax charge	<u><u>222,555</u></u>	<u><u>323,245</u></u>

**Factors that may affect future tax charges**

The government has enacted legislation to keep the corporation tax rate at 19% until 31 March 2020 and to reduce it to 17% from 1 April 2020. However, the government's 2019 election manifesto proposed that legislation will be introduced before April 2020 to postpone this reduction.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2019

7. TANGIBLE FIXED ASSETS

	Computer equipment £
<b>COST</b>	
At 1 July 2018	159,378
Additions	35,972
At 30 June 2019	<u>195,350</u>
<b>DEPRECIATION</b>	
At 1 July 2018	122,436
Charge for year	32,291
At 30 June 2019	<u>154,727</u>
<b>NET BOOK VALUE</b>	
At 30 June 2019	<u>40,623</u>
At 30 June 2018	<u>36,942</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.19 £	30.6.18 £
Trade debtors	2,352,664	781,753
Amounts owed by group undertakings	179,562	-
Other debtors	16,742	40,022
Director's current account	750,000	400,000
Tax recoverable	225,000	111,250
	<u>3,523,968</u>	<u>1,333,025</u>

9. CURRENT ASSET INVESTMENTS

	30.6.19 £	30.6.18 £
Short-term investments	<u>7,748,727</u>	<u>5,722,852</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.19 £	30.6.18 £
Other loans (see note 11)	946,574	-
Amounts owed to group undertakings	-	746,881
Tax	335,606	374,473
Social security and other taxes	79,732	68,660
VAT	68,475	89,353
Other creditors	238,722	86,425
Net wages control	116,016	95,899
Pension creditor	16,265	2,690
Accruals and deferred income	1,005,159	1,586,525
Accrued expenses	99,001	153,175
	<u>2,905,550</u>	<u>3,204,081</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2019

**11. LOANS**

An analysis of the maturity of loans is given below:

	30.6.19	30.6.18
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>946,574</u>	<u>-</u>

**12. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.19	30.6.18
	£	£
Within one year	284,702	111,966
Between one and five years	447,526	-
	<u>732,228</u>	<u>111,966</u>

**13. FINANCIAL INSTRUMENTS**

	30.6.19	30.6.18
	£	£
Financial assets:		
Financial assets measured at fair value through profit or loss	7,990,961	7,115,286
Financial assets that are debt instruments measured at amortised cost	3,523,968	1,333,025
Financial liabilities:		
Financial liabilities measured at amortised cost	1,284,296	984,482

Financial assets measured at fair value through profit or loss consist of cash at bank and in hand, and short term investments.

Financial assets that are debt instruments measured at amortised cost consist of trade debtors, amounts owed by group undertakings, and other debtors.

Financial liabilities measured at amortised cost consist of other loans, amounts owed to group undertakings, accruals and other creditors.

**14. PROVISIONS FOR LIABILITIES**

	30.6.19	30.6.18
	£	£
Deferred tax		
Accelerated capital allowances	7,718	7,019
Other provisions	<u>500,000</u>	<u>-</u>
	<u>507,718</u>	<u>7,019</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2019

**14. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 July 2018	7,019
Provided during year	699
	<hr/>
Balance at 30 June 2019	<u>7,718</u>

The Company has made a provision of £500,000 in relation to a legal claim. The Company is disputing the claim and, in the opinion of the Director, the risk of a settlement that will affect the Company is low as it is probable that it will be met by another defendant on the claim or be fully covered by insurance.

Further information in relation to the provision would be expected to prejudice seriously the position of the Company in relation to the claim and hence has not been disclosed in accordance with FRS 102 paragraph 21.17.

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	30.6.19	30.6.18
Number:	Class:	value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

**16. RESERVES**

	Retained earnings £
At 1 July 2018	5,273,153
Profit for the year	2,868,130
	<hr/>
At 30 June 2019	<u>8,141,283</u>

**17. ULTIMATE PARENT COMPANY**

B.C. Strategy Ltd (incorporated in Israel) is regarded by the director as being the company's ultimate parent company.

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2019

**18. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 30 June 2019 and 30 June 2018:

	30.6.19	30.6.18
	£	£
<b>Dr A Yanus</b>		
Balance outstanding at start of year	400,000	250,000
Amounts advanced	350,000	150,000
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>750,000</u>	<u>400,000</u>

For the year under review, interest of £9,527 was charged (2018 : £12,321).

**19. RELATED PARTY DISCLOSURES**

Included in the accounts are consultancy fees of £12,584,162 (2018 : £7,958,848) charged by B C Strategy Ltd (incorporated in Israel), the parent company. These transactions were at arms length and in the ordinary course of business.

At the year end, the amount due to the company from the parent company was £179,562 (2018 : £746,881 creditor). No interest has been charged.

At the year end the company owed the director, Dr A Yanus, £47,472 (2018 : £51,719).