Solving home buying and ownership together

Annual Report & Accounts 2021

Contents

ULS® technology

A leading provider of IT solutions to the UK home moving market

Operational highlights

- Disposal of Conveyancing Alliance Limited for £27.4m.
- Growth of broker channel with 21% growth in the number of active users to 1,998 from 1,653 at the end of FY 2020.
- Conveyancing completions in the second half of the Period (FY 2020) were 18,667 compared to 15,100 in the first half.
- The rise of the home mover as the main market driver taking over from the first-time buyer.
- Strategic reorganisation with Jesper With-Fogstrup joining as CEO in January 2021 and a number of other new senior hires.
- The decision to accelerate digital customer experience delivery of DigitalMove including using third party cloud based environments.

Customer

We are putting customers and consumers first, focusing on delivering the digital solutions that make the process of buying, selling or owning a home easier, less stressful and more transparent.

Digital

We are accelerating the digital consumer experience with DigitalMove, revolutionising the way that people buy, sell and own a property and benefiting all of our stakeholders through rich and flexible integrations powered by data driven automation.

Experience

With more than 15 years' experience of delivering technology to the property market and over 1 million transactions behind us, we are investing in improving the home moving experience, unlocking efficiencies and revenue earning opportunities across the process.

Financial highlights and KPIs

£16.9m -18%

2020 £20.7m

Revenue (continuing operations)

Revenue is generated principally from the completion of conveyancing cases and also the associated sales of searches and ID checks.

2021 £16.9m
2020 £20.7m

£(2.4)m

2020 £2.1m

(Loss)/Profit before Tax (continuing operations)

IFRS measure of profit which is after exceptional costs.

£(2.4)m 2021
2020 £2.1m

£24.0m

2020 £(3.4)m

Net cash/(debt)

Cash balances at bank net of bank debt but excluding IFRS 16 liabilities.

2021 £24.0m
2020 £(3.4)m

£(0.8)m

2020 £2.4m

(Loss)/Profit before Tax (underlying) (continuing operations)

Non-IFRS measure of profit which excludes items not likely to impact future cash flows (see page 21).

2021 £(0.8)m
2020 £2.4m

£17.4m

2020 £3.3m

Profit for the financial year attributable to the Group's equity shareholders

IFRS measure of profit after tax which includes discontinued operations and profit on sale of the discontinued operation.

2021 £17.4m
2020 £3.3m

Must reads

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To find out more visit **ulstechnology.com**

At a glance

Our vision

To make home moving and ownership a better experience for everyone.

Our mission

To become the leading provider of digital tools to transform the experience of buying, selling and owning property.

What we do

Our technology brings together people buying, selling and refinancing their homes with DigitalMove enabled conveyancers providing customers with a better experience, quality rated choice and excellent value.

Our distribution channels

We primarily provide our services through white-labels to mortgage brokers, banks, building societies and price comparison websites amongst others. Our service allows our partners to provide their customers choice and enables them to complete mortgage applications efficiently.

33,767

Conveyancing completions (continuing operations)

A conveyancing completion is when the conveyancing transaction has been marked as completed on the ULS technology platform by the conveyancer and revenue is recognised.

£0.4m

EBITDA (underlying) (continuing operations)

EBITDA (underlying) excludes exceptional items

find out more on page 21

Our strategy

We aim to continue to generate profitable growth using our four key strategic pillars:

1. Demand Generation

Forming deeper relationships, finding new customers and generating even greater demand

2. Digital Evolution

Accelerating investment in the delivery of new technology to provide a better, truly digital consumer experience

3. Conveyancing Platform

Provide solicitors with a comprehensive platform service for their conveyancing cases and deliver efficiency

4. Optimised Cross-Selling

Provide consumers with great conveniently available deals on household finance and utility products at a time when they will be most in need of those products

find out more on page 14

55,092

Conveyancing instructions (continuing operations)

A conveyancing instruction is the point where a customer chooses a conveyancer through the ULS technology platform. This provides a strong indication of future revenues. Instructions typically take three or four months to complete with around 70% reaching completion.

Our investment case

1 Significant cash reserves

The Group had cash balance of £24 million at the period end. In addition, the eConveyancer part of the business continues to generate significant positive cash flows. The combination of these enables us to significantly invest in the development and rollout of DigitalMove without the need to generate any additional funds externally.

find out more on page 51

2 Innovative product development

The Group has a long track record of developing innovative products. This started with eConveyancer which was the first product of its kind and currently it is illustrated by DigitalMove and Rapid Remo.

find out more on page 16

3 Growing distribution base

The Group has a wide distribution network through mortgage advisers, lenders, estate agents and direct-to-consumer websites.

find out more on page 49

4 Independent

Unlike many of the other players in the market, the business is not connected to any other parts of the market, in particular it does not own a conveyancer. This allows it to give consumers an independent choice and engenders a feeling of trust in the quality ratings that the Group publishes on each solicitor on its panel.

find out more on page 28

Just done everything I can to update my case, very impressed with how quick it was”

An excellent platform and easy to use, compliments the modern world we now live in”

System great to use, never used a system like this before – my work colleagues could learn from this system”

Strategic Report

A better home moving experience for Consumers

Our mission is to revolutionise the home buying, selling and owning experience so that consumers can feel as happy and confident about moving home as they would engaging in any other transaction.

There is a real opportunity to introduce greater transparency to the home moving experience, to help buyers and sellers understand why conveyancing is important for their house deal and to use that transparency to make the process more efficient.

The launch of DigitalMove has been a big stride forward in this direction. The platform has delivered the first steps of bringing the home buying and selling process in line with the digital journeys that consumers would expect in other areas, making the whole experience faster and more straightforward.

Whether a property is being sold, purchased or remortgaged, DigitalMove helps speed things up and improve communication between movers, conveyancers and everyone else involved in the process. The platform already equips consumers with the digital tools to keep conveyancing cases moving, including electronic ID verification and digital signatures, and these digital experiences have been particularly invaluable over the past year for a variety of reasons.

Millions of housing transactions and remortgages have been carried out almost entirely remotely due to the pandemic, demonstrating precisely why digital innovations like DigitalMove are so important.

Even outside of the pandemic, there is a clear appetite among consumers for digital options allowing them to handle their cases in a format and location that suits them, rather than relying on slower face-to-face interactions. The fact that DigitalMove allows cases to proceed more rapidly has also been crucial at a time when there has been immense pressure to progress transactions quickly in order to benefit from the temporary changes to Stamp Duty Land Tax.

We have also helped to improve the speed of Remortgage cases for consumers, with the development of our Rapid Remortgage proposition. Through this innovation Rapid Remortgage cases can be ready for completion by the end of the next day of the customer completing their Starter Pack.

The quickest customer to complete their starter pack so far did so in just 21 minutes. To date, qualifying cases complete about four weeks faster than non Rapid Remortgage cases, with the quickest full completion so far taking just four days.

We are not resting on our laurels and continue to develop our digital experiences and technology, offering movers the widest choice of high-quality solicitors and licensed conveyancers in the country at great value and with a no completion, no fee guarantee.

All panel firms are regulated by either the Solicitors Regulation Authority or the Council for Licensed Conveyancers and are continuously monitored by our solicitor liaison team, supported by proprietary automated processes.

DigitalMove

At the time of producing this report, more than

50,000

DigitalMove cases have now been instructed, both via eConveyancer and direct-to-consumer through services including HomeOwnersAlliance Conveyancing.

"Our first conveyancing experience and we have found it to be very easy"

Chairman's statement

Martin Rowland
Chairman

> We have a clear mission to revolutionise the home buying, selling and owning experience"
>
> Martin Rowland

With Jesper joining as CEO and the funds generated by the sale of CAL we have set the platform to be able to truly make home moving a better experience for everyone.

Highlights

£24.0m
Cash

£0.4m
EBITDA (underlying) (continuing operations)

EBITDA (underlying) excludes exceptional items

Find out more on Page 21

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

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

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

Strong financial position

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

The underlying loss before tax on continuing operations was £0.8m (see page 21) against a profit in the previous year, with IFRS operating profit on continuing operations coming in at a loss of £2.4m, which reflects the challenges COVID had on our core first-time buyer market which was heavily impacted as well as our lender channel. It also reflects that we have been increasing our operating spend on DigitalMove and haven't let any uncertainties caused by the pandemic to deflect us from our plan.

Investing in our priorities

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

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

Taking the market forward

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

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

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

Board changes

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

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

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

Outlook

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

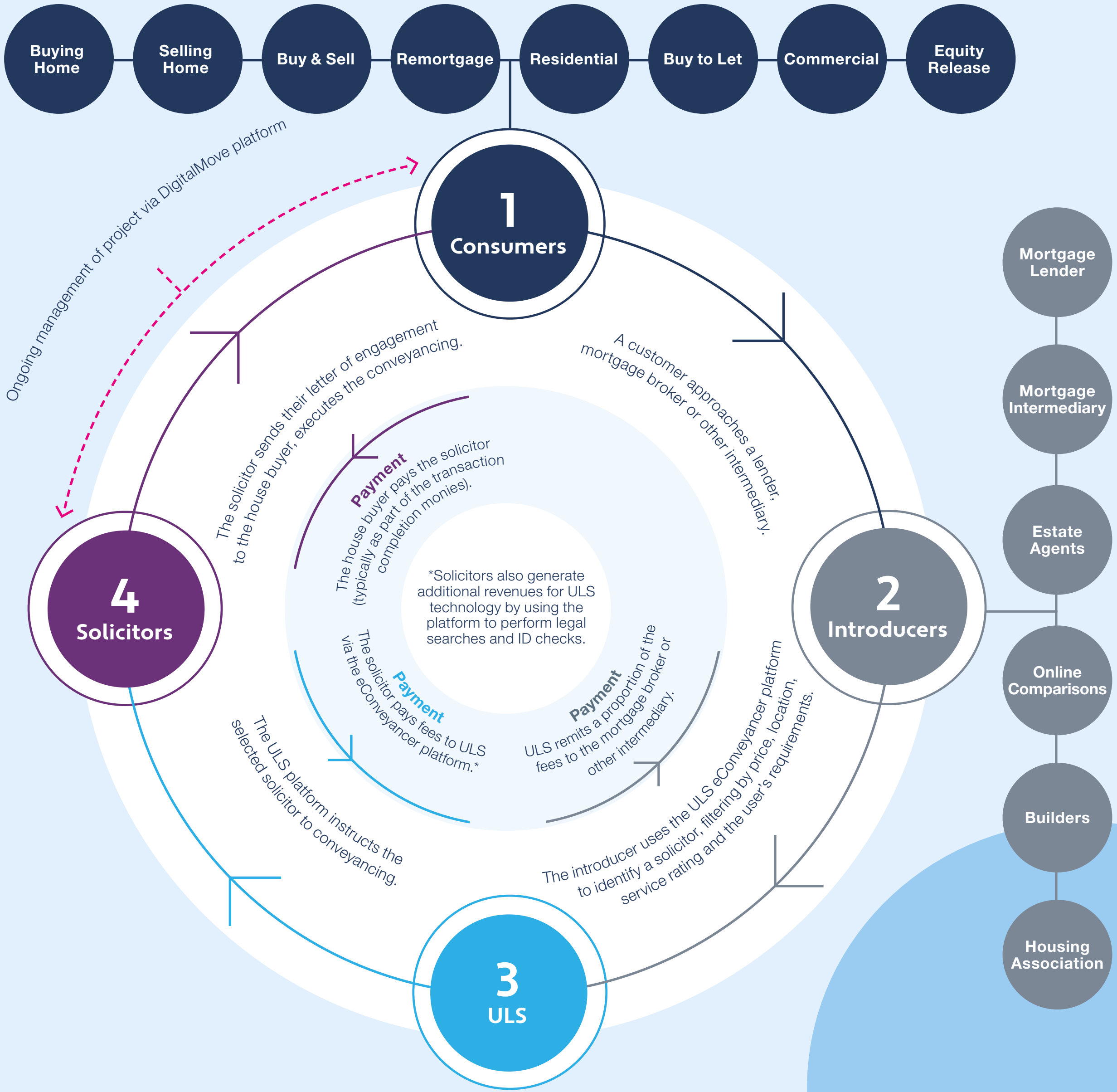
We will continue to develop and evolve DigitalMove, creating specific solutions for targeted market sectors and generating additional revenues for the Group. We will keep the consumer at the centre of our thinking at all times as make the process of moving home more efficient and a better experience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

Martin Rowland
Chairman
ULS Technology plc

Our business model

We bring consumers and legal professionals together via housing market comparison services, delivered through our systems.

We partner with solicitors and conveyancing firms to create panels that compete for consumers' business on price, location and service rating.



How we create value for stakeholders

ULS technology has created an ecosystem where there are benefits for all parties involved. This is why the system is successful and allowed it to be sustainable over many years.

Benefits for Consumers

Cost saving

ULS technology aims to reduce the cost of services to users by creating price competition between providers.

Choice

ULS technology increases the choice of services available to users by aggregating a broad range of providers via a single platform.

Service

ULS technology provides ratings on its providers helping the consumers to make an informed choice.

Benefits for Introducers

Scope

ULS technology enables intermediaries to offer their customers a range of conveyancing services from a wide choice of providers nationwide at competitive prices.

Reward

ULS technology allows intermediaries to access multiple related services from a single interface, helping them to generate multiple sales from their customer in one sitting and to increase profitability.

Time saving

ULS technology's user-friendly interface is designed to reduce the time taken to complete the sales process, further enhancing broker ROI.

Benefits for Solicitors

Volume

ULS technology connects service providers with a large pool of potential clients via intermediaries, increasing work flow at a low cost of acquisition.

Market reach

ULS technology provides a platform for service providers such as lawyers with low brand recognition to raise their profile, helping them attract new business.

Our market

Our focus is on delivering a better conveyancing experience for buyers and sellers alike through the utilisation of technology.

The housing market, and the wider economy, has gone through enormous change over the last few years, which we highlight in detail below.

The housing market, and the wider economy, has gone through enormous change over the last few years, which we highlight in detail below. At ULS technology, we are committed to delivering solutions that benefit homebuyers, homesellers, solicitors and introducers, which will ensure that we prosper no matter what the overall state of the market or economy.

It has been a challenging time over our reporting period, with the emerging certainties of what Brexit may mean in practice quickly giving way to the Coronavirus pandemic. The pandemic inevitably caused a slowdown in the housing market initially; the order to stay at home except in emergencies was simply not compatible with viewing properties, and so sales inevitably ground nearly to a halt.

However, the market has since rebounded extraordinarily, with the stamp duty holiday – which applies to the first £500,000 of any purchase – acting as the catalyst. Even with the first stamp duty holiday deadline approaching, it seems likely that demand for properties will remain strong with the programme of building new housing substantially short of the government's target of 300,000 new homes per year even before the difficulties of the pandemic.

This underlying shortage, and a culture of home ownership, continues to support the housing market even in the face of challenges such as lender regulatory affordability tests and an ageing population.

At the end of our trading period:

- The number of mortgages being approved for purchase has been strong off the back of the stamp duty holiday, hitting a high of 103,100 in November 2020. In March 2021, there were 82,700 mortgage approvals for property purchases, up from 56,200 in March 2020. This was the lowest level seen in eight years, as the pandemic took hold. *Bank of England*
- The positive levels of purchase activity have not dented remortgage activity. Remortgage volumes have remained consistent throughout, from a low of 30,602 in May 2020 to a high of 36,881 in June 2020. *Bank of England*
- The share of mortgages advanced in the first quarter of 2021 at loan to value (LTV) ratios of above 90% was 1.1%, 4.1 percentage points lower than a year earlier, and the lowest level since the Bank of England started tracking them in 2007. This reflects the fact that the surge in the market has largely been down to home movers rather than first-time buyers, the latter being a market that ULS technology performs particularly strongly in. *Bank of England/FCA*
- The buy-to-let market has also recovered well from the onset of the pandemic. The share of gross mortgage lending for buy-to-let purposes (covering house purchase, remortgage and further advance) was 11.7% at the end of the first quarter of 2021, a fall of just 2.3 percentage points from the first quarter of 2020. This bodes well for activity levels in the months ahead. *Bank of England/FCA*
- The jobs market has an important influence on the property sector; as unemployment increases, would-be home movers may delay their planned purchases until things improve. So it's encouraging to see that employment figures are improving following the pandemic, with the unemployment rate estimated at 4.8%. While unemployment has risen since Coronavirus arrived, the first quarter of 2021 saw the largest quarterly decrease in unemployment since 2015. *Office for National Statistics*

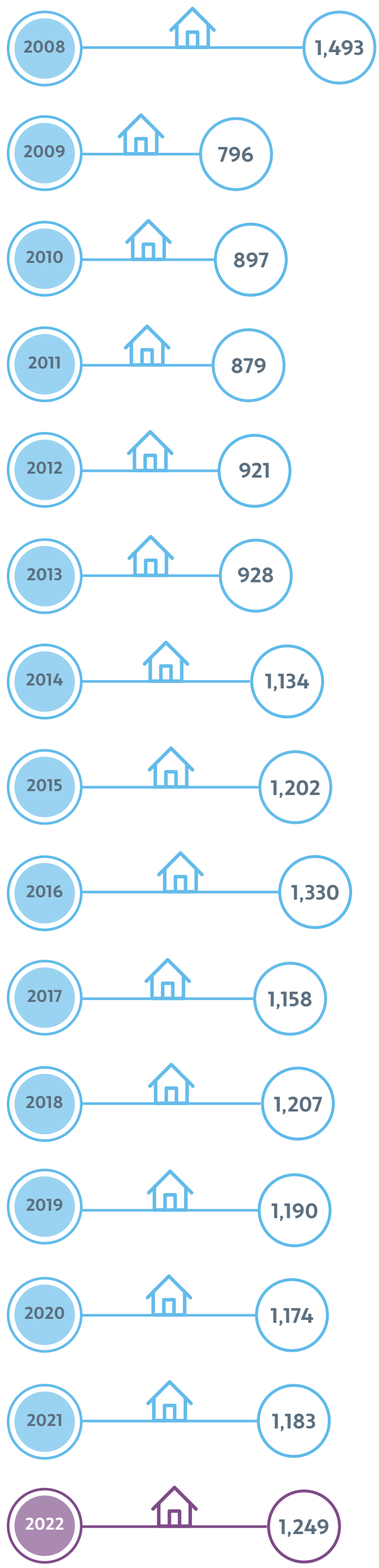
The property market

A host of factors, from the shortage of properties available to tightening affordability issues, have played a role in determining who can buy a property, and at what point they are financially able to do so.

- Activity in the property market jumped sharply after the first lockdown. Transaction numbers rose from 37,360 in April 2020 at the height of the pandemic to 173,410 in March 2021, as increasing numbers took the opportunity to purchase a new home. *HM Revenue & Customs*
- Over the reporting period, property transactions totalled 1.183m, up slightly from the 1.174m in last year's reporting period. This reflects the fact that while property transactions have recovered strongly, the first few months of the pandemic had a severe impact on tempering the numbers of property purchases. *HM Revenue & Customs*
- The pandemic has exacerbated the pre-existing housing shortage, with the number of new homes registered to be built by UK housebuilders dropping to 123,151 in 2020, compared to 160,319 in the year before. *NHBC*
- Average house prices in the UK rose by 10.2% over the year to March 2021, up from 9.2% in February 2021. That's the highest rate of annual growth seen since 2007, and has made the prospect of purchasing a property more testing for first-time buyers, a cohort that ULS technology typically performs well with. *Land Registry*
- In England house prices grew over the year to an average of £275,000 (10.2%), In Wales they rose to £185,000 (11%), in Scotland they increased to £167,000 (10.6%), and in Northern Ireland prices moved to £149,000 (6%). *Land Registry*

The stamp duty holiday has been a significant motivating factor in the rise in transaction levels seen in recent months. The tax can be a significant barrier for buyers to overcome, and its temporary removal has spurred those who had been delaying a potential purchase to come forward and pursue a move.

Property transactions and forecasts (thousands)



Our market continued

Through the development and implementation of smart digital solutions, we can break down the barriers and improve communication”

This combined with the lockdown periods and increased flexibility over working hours and locations, this has prompted some to reconsider whether they could achieve a better standard of life through moving. The allure of living in cities like London has been dented, not only by the fact that the hospitality and entertainment industries have largely been shuttered over the last 12 months, but by the move towards more remote working. As people are able to carry out more of their work from home, rather than a central office, they have increasingly considered moving to more rural areas, which has boosted demand – and with it the price – of properties in those regions. A lengthy commute becomes more palatable if it is only a necessity a couple of days a week, rather than every day.

The level of demand, combined with the looming stamp duty holiday deadlines, has meant that activity has been frantic, with desirable properties swiftly leaving the market. This fast pace has put conveyancers under pressure, as they strive to complete cases in time. Our digital solutions have helped to relieve some of that pressure and help conveyancers to conclude cases swiftly.

While the rate of house price growth has made things more difficult for would-be first-time buyers, the government's mortgage guarantee scheme is designed to encourage more lenders to offer loans to buyers with small deposits, offering them the chance to get onto the housing ladder. However, it will be some time before we begin to see the fruits of that initiative.

Mortgage finance

- Gross mortgage lending has suffered due to the pandemic. It totalled £233bn in 2020, down from the £268bn registered in both 2018 and 2019. This is nonetheless double the amounts seen a decade ago. *UK Finance*
- Of this lending, £118m was for purchase by homeowners, with £9m for buy-to-let purchases. *UK Finance*
- The level of lending for remortgaging also dropped, reaching £68m for homeowners and 27m for buy-to-let landlords. This is down from £80m and £30m respectively. *UK Finance*
- While lending for home purchase has increased overall, this has skewed significantly towards home movers rather than first time buyers. Lending to first-time buyers increased by two percentage points in the first quarter of 2021, compared to a 15% year on year increase in lending to home movers. Home movers now represent the highest share of lending for purchases since these figures began being tracked in 2007. *Bank of England/FCA*

The amounts being lent in the mortgage market offer a useful insight into the activity levels of the housing market, as well as where that activity is taking place. Total lending across the market may have decreased as a result of the period of reduced activity during the first national lockdown, but monthly lending increased significantly in the second half of the year, with lending for home moves growing by 15% in 2020 compared to 2019.

As we stand today, the market is in a healthy position, with demand for property – and therefore transaction levels – likely to continue to be strong in the months and years ahead. This will be driven by home movers, investors and first-time buyers.

Our digital solutions and services, such as eConveyancer and DigitalMove, make the entire process more efficient, ensuring that transactions are completed more quickly"

Lenders are increasingly returning to the high LTV market, buoyed by the government's mortgage guarantee scheme. As the first-time buyer market is one in which ULS technology performs particularly strongly, this is a positive development and bodes well for future prospects.

Supporting the home-owning value chain

Technology has played an increasingly important role in the home-moving value chain for some time, but no single solution has yet emerged that works for all participants in that chain. That's largely the result of the fragmented nature of the market, with the legal side presenting the biggest challenge towards developing that single solution.

As a technology firm focused on the conveyancing market, we are perfectly positioned to solve that challenge. Through the development and implementation of smart digital solutions, we can break down the barriers and improve communication between the various stakeholders in a property purchase, delivering a better experience not just for those buying or selling but also for all of those parties in the value chain.

Our digital solutions and services, such as eConveyancer and DigitalMove, make the entire process more efficient, ensuring that transactions are completed more quickly. This not only provides significant time savings for everyone involved in those cases, but also means that the businesses involved in that transaction – from estate agents and mortgage brokers, to valuers and conveyancers – are paid more promptly.

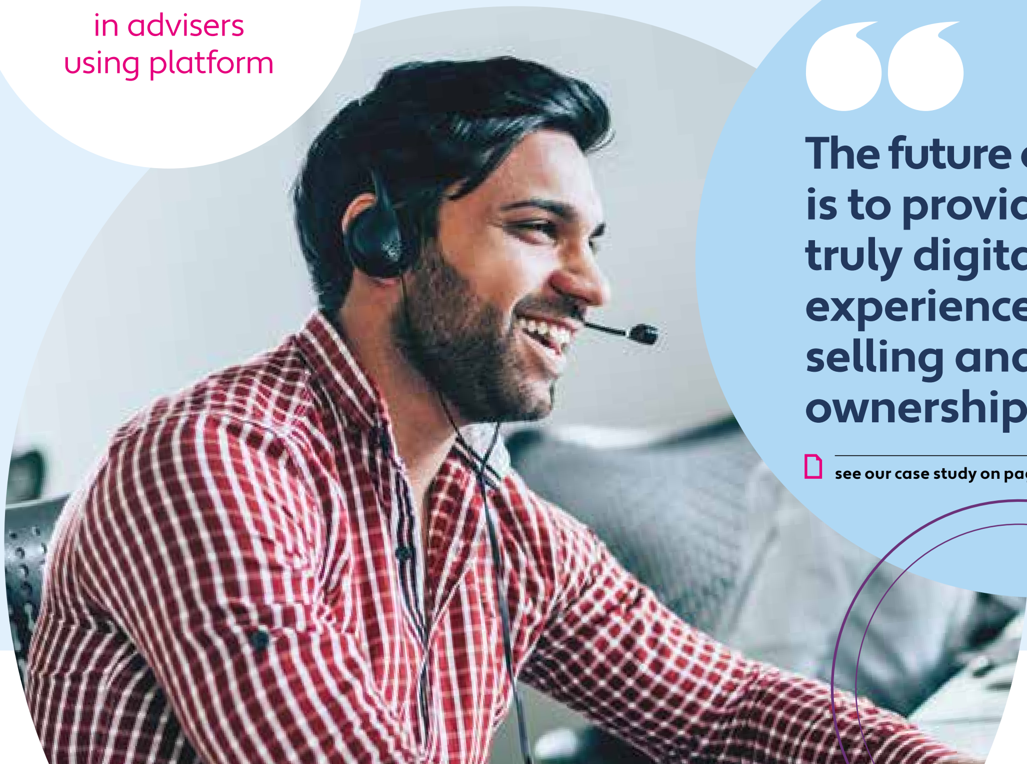
Our strategy

£24.0m
Cash in the bank to enable us to deliver the strategy

50,000
DigitalMove cases to date

21%
Growth in advisers using platform

ULS technology enjoys a unique position in the market, boasting the combination of a proven track record of helping consumers connect with a wide choice of conveyancers through a strong community of introducers, and demonstrated consumer and wide stakeholder desire for digital moving experiences.



> **The future of DigitalMove is to provide a better, truly digital, consumer experience for buying, selling and home ownership"**

see our case study on pages 16–17

We are perfectly placed to use our rapidly growing digital experience to design, develop and acquire digital solutions that can benefit the entire value chain. We have a clear strategy, built on four objectives, to cover conveyancing and home moving more broadly, targeting the pain points and creating a better experience for all involved.

In delivering this, we will succeed not just in building a better experience for our customers and consumers, but in building a more valuable business with a broader mix of commercial opportunities. Our four core strategic pillars are:

1. Demand Generation

With eConveyancer, we have established a loyal and growing community of lenders, brokers and other B2B partners that make use of our market leading panel of conveyancers. Now is the time for us to turbo-charge this growth by forming deeper relationships, finding new customers and generating even greater demand for eConveyancer's services.

2. Digital Evolution

The successful launch of DigitalMove is a clear demonstration of how smart technology can improve the homebuying process for everyone involved. At the time of producing this report, more than 50,000 cases have so far been instructed through the platform, with the time taken from case creation to the submission of completed documents being slashed from days to just minutes. In one case, this process took only 21 minutes, while across the board starter packs are being completed and returned to solicitors around 60% more rapidly than using pen and paper.

The early adoption of the platform confirms the demand. However, the DigitalMove platform of today is just the first iteration of our vision and we are accelerating our investment in the delivery of new technology to develop greater functionality and provide a better, truly digital, consumer experience for buying, selling and home ownership. We will bring many of these developments to market in the next financial year.

3. Conveyancing Platform

We are building a componentised conveyancing platform focused on greater consumer experience and conveyancing efficiency. Our research has found that conveyancers currently spend a significant proportion of their time responding to client requests for updates and queries. The platform will eliminate the need for those inbound chasers as it will provide rich digital experiences, underpinned by data, utilising artificial intelligence and machine learning to drive automation and deliver efficiency. It will provide conveyancers and solicitors with a comprehensive platform service for their conveyancing cases and deliver efficiency.

4. Optimised Cross-Selling

In delivering technology and services that create a frictionless conveyancing process and enhance the home moving experience, we will build trust with consumers and this trust will allow us to have an ongoing content rich dialogue with them throughout their buying, selling and home ownership journey. Through this dialogue we will have many opportunities to help consumers with 'moving in' and 'home owning' services, which will provide consumers with great, conveniently available deals on household finance and utility products at the time when they will be at most need to acquire, or review, those services.

At ULS technology, we are committed to continuing to develop new digital solutions, features and functionality which can deliver a better and safer experience for all parties across the homebuying chain. A more digitally-driven outlook not only provides a better experience for consumers, but it also delivers a more secure one.

The UK government has declared its ambition to cut carbon emissions by 68% by 2030, ahead of becoming fully carbon neutral by 2050, with the eyes of the authorities increasingly on the property market. In delivering our digital-first strategy, we can help the property industry to have a more positive environmental impact by increasing efficiency and reducing paper.

However, it's not just the UK where we can make a difference. In the future, we also have the opportunity to take our approach and the benefits it provides to consumers, businesses and the environment to other geographies. There's demand to make the process of buying, selling or owning a home easier, less stressful and more transparent elsewhere in the world and at ULS technology, we are well-placed to meet that demand.

Strategy in action

DigitalMove: the future of buying and selling

What is DigitalMove?

DigitalMove is an innovative change to part of the way that we buy and sell properties, providing consumers and stakeholders alike with a more efficient, consistent and secure experience compared to traditional conveyancing.

The platform allows those key stakeholders, from the buyer and seller of the property to the solicitors and mortgage brokers transparency into the progress of a case.

DigitalMove is available to everyone involved in the process, 24 hours a day, seven days a week. Its fully responsive design means that it is easy to use with any form of electronic device including mobile phones and tablets and incorporates a range of features which ensure that cases move more efficiently and securely, from dynamic to-do lists to an online document repository.

Making a difference to home movers

DigitalMove is already making a huge difference to thousands of homebuyers and sellers, with more than 50,000 cases instructed through the platform at the time of producing this report, via eConveyancer, conveyancer direct and through direct-to-consumer services.

The DigitalMove platform is dramatically improving the speed at which cases proceed. DigitalMove starter packs are completed and returned to solicitors around 60% quicker on average than their non-digital equivalents, allowing conveyancing work on a case to begin much more quickly. In some cases, the speed of the turnaround has been astonishing, with one Starter Pack moving from case creation to submission of the completed documents to the solicitor in just 21 minutes.

DigitalMove isn't just making a difference to the speed and efficiency of cases, it's also delivering a more satisfying experience to consumers, with more than two-thirds describing their DigitalMove experience as good or very good.

That satisfaction stems from the improved levels of communication that DigitalMove facilitates. All too often home movers are left frustrated by poor communication with conveyancers and other stakeholders during a transaction, which leaves them feeling confused and stressed. DigitalMove provides secure communication between home movers and conveyancers, as well as real-time progress updates, which ensures that all key stakeholders are kept up-to-speed.

Making a difference to stakeholders

Our extensive experience of working with conveyancers provides us with an unrivalled insight into exactly what they need from a digital solution, and that has informed the design and frequent updates to DigitalMove since its inception. Because of this, solicitors are receiving the information they need from consumers accurately and efficiently, which already has made some reduction in the amount of time solicitors have to spend chasing up issues or answering queries.

DigitalMove is available to all mortgage brokers using eConveyancer and is delivering immediate benefits to them. The improved transparency that comes from DigitalMove means brokers need to spend less time speaking to stressed clients who aren't sure what's going on with their case, while the rapid completions means they receive their mortgage origination fees more quickly.

DigitalMove 1.0

The DigitalMove is still only on its first iteration and will feature significant new features and functionality in the future, but the platform has still proven invaluable over the last year. Conveyancers and consumers have been equipped with the tools they need to keep conveyancing cases moving, no matter where they are, including features like digital signatures and electronic ID verification. This is a clear improvement over traditional forms of conveyancing and has been vital at a time when people have been forced to work remotely due to the pandemic.

The stamp duty holiday has sparked an extraordinary rise in activity in the housing market, which has only added to the pressure conveyancers had to work under. DigitalMove has helped to improve communication between everyone involved in those cases, to highlight what may be causing delays, and to ensure that transactions are completed swiftly in advance of any looming tax deadlines.

> **"The last 12 months has shown the importance of the housing market to people and the economy and, also, the need and desire for people to transact remotely and digitally"**

60%

reduction in time to complete starter packs in DigitalMove.

DigitalMove isn't just making the moving process more efficient, it's making it safer too.

The platform helps to make the process of buying and selling a property more secure. Communication between conveyancers and home movers can take place through the DigitalMove system, removing the chances of fraudsters intercepting emails, and allowing those discussions to be more direct and secure.

Features like the ID verification system, which brings together document scanning technology and face matching through facial recognition, are an invaluable defence against identity theft, while sensitive data is always kept safe through our software security practices which are regularly penetration tested.

Looking forward

With so much that DigitalMove has already achieved, it's easy to nearly forget that this is just the first iteration of the platform. As part of our strategy, we will be accelerating our investment in developing the functionality and impact of DigitalMove to provide a better, truly digital consumer experience for buying, selling and home ownership.

Chief Executive's statement

Jesper With-Fogstrup

Chief Executive Officer

It has become something of a cliché to describe the last 12 months as tumultuous, but that doesn't make it any less true.

Highlights

£26.4m

Cash generated from sale of CAL

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

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

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

By reducing the stress and anxiety that is so often part of a property move, we can help people to follow their dreams and pursue those moves that will deliver the standard of life they aspire to"

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

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

Improving transparency

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

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

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

Supporting staff

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

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

The post-pandemic world

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

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

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

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

Jesper With-Fogstrup
Chief Executive Officer
ULS Technology plc

Financial review

John Williams
Chief Financial Officer

The sale of CAL has given us the financial firepower to fully exploit the opportunity that DigitalMove offers.

Summary

Continuing operations

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

Total operations

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

Results

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

Profitability for continuing operations fell moving in to a loss. This was partially due to COVID-19 as although the housing market recovered it wasn't sufficient to completely make up for the drop in business in the first few months of the period. The housing market recovery was largely home-mover driven and eConveyancer is strongly weighted towards first-time buyers where the recovery was less pronounced, with tighter lending conditions for those without the large deposits that equity in an existing home tends to give you.

eConveyancer continues to generate significant positive cashflows for the Group while DigitalMove offers a huge opportunity to transform the home moving market"
John Williams

Additionally, we continued to increase our spending on DigitalMove in the knowledge that this would impact profitability in the short-term and this is reflected in the increase in administration costs. This will continue to be the case and will be accelerated using the funds provided by the sale of CAL.

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

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

Key performance indicators

Our key performance indicators are set out on pages 1 to 3, financial KPIs are discussed on page 20 and non-financials measures below:

Continuing operations	2021 £000's	2020 £000's
Instructions	**55,092**	62,225
Completions	**33,767**	42,433

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

Shares and dividends

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

No new shares were issued in the year.

Sale of Conveyancing Alliance Holdings Limited

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

Cash and debt

The Group significantly enhanced its cash position during the year:

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

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

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

Non-IFRS profit measures

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

Underlying PBT from continuing operations	2021 £000's	2021 £000's	2020 £000's	2020 £000's
(Loss)/Profit before taxation (PBT)		**(2,389)**		2,116
Amortisation of intangible assets arising on acquisition		**131**		149
Exceptional operating costs				
Acquisition activity costs	**–**		30	
Write down of intangible asset	**1,457**		–	
Impairment of investment	**–**		100	
Exceptional operating costs		**1,457**		130
Underlying (Loss)/Profit before taxation (Underlying PBT)		**(801)**		2,395

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

John Williams
Chief Financial Officer
9 July 2021

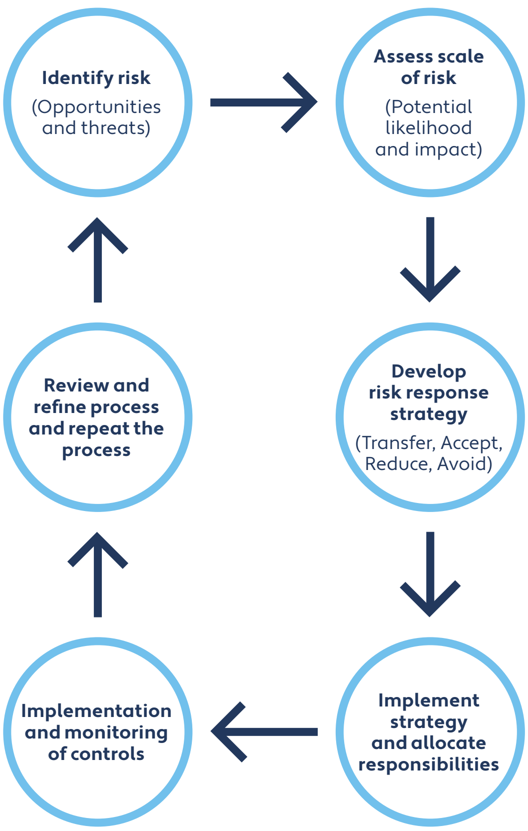
Risk management

The risk management committee owns and manages all risk registers for the Group.

The committee reports back to the Board their findings and the Board will assess to ensure the control systems in place are effective.

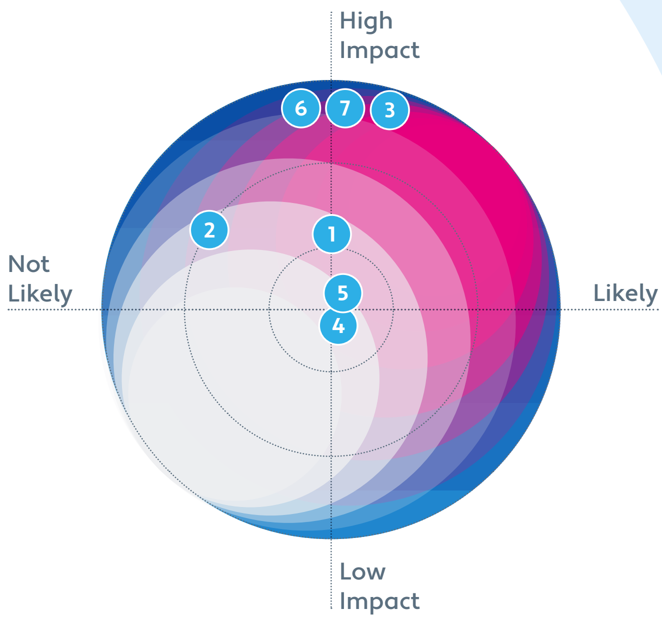
for more information read our Audit and Risk Committee report on page 35

The Board and risk committee follow the following risk management cycle:



Risk heat map

The risk management committee have evaluated the principal risks and uncertainties as follows:



Risk Areas	Potential Impact	Mitigation
1 **Loss of key introducer** The contract with Lloyds Banking Group delivers significant gross margin.	The loss of this contract would clearly have a significant impact on the scale and performance of the Group although there are a number of parts to the contract.	The Group is widening its routes to market and gross margin attributable to this contract is now less than 30% of total gross margin of the continuing operations. Additionally, the Group works closely with Lloyds Banking Group to ensure it is delivering a high level of service and constantly enhancing the service being offered.
2 **Loss of key panel firms** The Group operates a panel of nearly 100 solicitors and licensed conveyancer firms, but the largest firms receive significant percentages of the work.	The loss of a major panel firm could impact on the Group's ability to fulfil all the orders it receives and could reduce price competition.	The Group builds strong relationships with its panel of firms thereby enabling it to constantly monitor their capacity and service levels. The Group actively looks to recruit new firms onto its panel across a range of sizes to maintain sufficient capacity within the model and keep prices at a competitive level, while keeping quality of service high. The Group takes reputation risk seriously and any new firms have to pass certain criteria before they are allowed on the panel.
3 **Macro-economic conditions** The revenue of the business is closely linked with the number of transactions in the UK housing market.	Changes in interest rates, house prices, government policy, GDP growth and wider economic factors such as Brexit and pandemics can positively or negatively impact the number of housing transactions.	The Group continues to widen its distribution channels by increasing the number of introducers as well as the markets they operate in. This means that the Group is not solely reliant on growth in the general market for its own growth. It also aims to maintain significant cash resources so it can effectively react and cope with unexpected situations while still investing in future growth.
4 **New products** The Group continually looks to innovate and develop new products.	When developing products there is a risk that products developed are not commercially successful or cost more to develop than planned.	The Group plans to continually gather and obtain market research prior to the launch of any new initiative. It also conducts post completion audits to enable and promote continuous improvement.
5 **Competition** There are a number of competitors of varying sizes across the market.	Where there is competition there is always a risk that others will gain a competitive edge and either make it more difficult to win new customers and/or to retain existing customers.	The Group is focused on continual improvement, innovation, quality and resilience in order to maintain its competitive advantage and values existing introducers as much as potential new ones. Additionally, while the Group is one of the largest in the market it still holds a relatively small percentage market share and there is plenty of scope for growth. The introduction of DigitalMove also widens the Group's offering and takes it in to new markets.
6 **IT systems** The Group is dependent on its IT systems to be able to provide its services.	Computer systems are inherently open to failure or security breaches. These could impact the ability of the Group to be able to provide its service and serious failures could result in the loss of customers.	The Group ensures that anti-virus software is kept up-to-date and regular penetration tests are performed. The main servers are located off-site at dual locations, enabling immediate failover in the event of a server becoming unavailable at one of the locations.
7 **Regulatory Changes** The Group makes nearly all its margin from what some may call referral fees and search fees.	If either of these were prohibited the Group would need to look to reconfigure its revenue model towards licence fees or another model.	While, in the past, referral fees in the conveyancing market have been looked at by government, they have stepped back from taking action as they have done in the personal accident claims arena. This may be because they can see that comparison platforms such as ours actually drive down prices.

Stakeholder engagement and section 172 (1) statement

Section 172 (1) statement

The Board is fully focused on the long-term success of the business in a way that benefits all stakeholders. For an organisation to be able to build and grow a sustainable business it is vital that all stakeholders are considered. Reputation is hard won and easily lost. All businesses will face some bumps in the road along their journey. If you treat your stakeholders with integrity then they will stay with you through those bumps. This has been particularly true during the recent changes that the Group has undergone and by keeping to this philosophy the Group aims to come out of this as a stronger business.

Section 172 matters	
a) The likely consequences of any decision in the long term	As mentioned above, the Board is fully focused on the long-term success of the business and, as such, views all decisions it makes through that prism. In November 2020, the Group announced the sale of CAL which will reduce the profitability of the Group in the short-term while significantly increasing its cash resources. As we stated in last year's Annual Report, the Group has been increasing its spend on product development and has continued to do this through the COVID-19 impacted period. The Board plans to further increase the spend in this area using its enhanced cash resources to grow the long-term profitability of the Group.
b) The interest of the company's employees	Our employees are our most important asset and it is their dedication and inspiration that makes us what we are. The Board seeks to create an environment where employees feel valued and are able to perform to their best. During the period, while we have been able to transition easily to home-working it has still been a difficult and stressful period for many. The Board has tried to support employees with clear and considered decision making and communication, taking in to account individual needs. All employees have access to the Employee Assistance Programme which gives access to a 24 hour confidential helpline which has been particularly useful in the current environment. We also undertake regular Employee Surveys and have recently enhanced our employee benefit package. We are also planning more flexible working for employees on an ongoing basis.
c) The need to foster the company's business relationships with suppliers, customers and others	The business model described on page 08 relies on building a base of introducers who want to use our products and are happy to continue to recommend them to their customers. In addition, we are reliant on our panel of solicitors continuing to provide an excellent service at competitive prices and with enough capacity to meet demand. With the advent of DigitalMove we now also want solicitors to choose to use DigitalMove to interact with the customers. Therefore these relationships are key and the Board recognises them as such and they are central to all decision making.
d) The impact of the company's operations on the community and environment	The basic premise of the business model is to make the home moving process more efficient and the vast majority of transactions that take place through our systems are done remotely between the solicitor and the consumer eliminating the need to travel. DigitalMove is taking this a step further in reducing paper, ink and postage.
e) The desirability of the company maintaining a reputation for high standards of business conduct	Our business model is wholly dependent upon maintaining a reputation for high standards. See c) above.
f) The need to act fairly between members of the company	The Board is always aware that it has to balance the various needs of different stakeholders. In the main, the business model means that actions and activities that the Group takes are mutually beneficial. Oliver Scott who is a Partner at Kestrel, the Company's largest shareholder, is a Board Director. It remains prominent in the thoughts of the Board to act fairly between shareholders and the Board will continue to communicate widely with shareholders as outlined in the next table.

Stakeholder engagement

Further to the section 172 (1) statement, the table below looks at how the Group engages with its key stakeholders.

Stakeholder	Description	Types of engagement
Shareholders	The Company has a range of shareholders from large institutions through to private individuals who may be described as retail investors.	The Board seeks to engage with shareholders in a number of ways. This includes, but is not limited to, regulatory announcements, the Annual Report, our website and presentations. The Board also engages with investor publications to enhance its ability to communicate with retail investors as well as institutional ones.
Employees	The Group has just over 100 employees located in Thame and, increasingly, from home.	The Board, particularly the Executive Directors are in daily contact with employees across the organisation and operate an open and informal culture. In additional there are more formal communication procedures such as regular town hall meetings and the employee survey.
Solicitors	See page 28.	The Group maintains a wide dialogue with solicitors across the organisation. In particular we have a team whose day to day responsibility it is to liaise with the solicitor firms but the interaction goes across the business. We hold an annual conference for the solicitors on our panel which has proved to be a great success.
Consumers	See page 05.	In general consumers are delivered to the platforms through the Group's wide network of introducers. However, the consumers engage directly with the platforms and have access to the seven day a week UK based helpdesk. With DigitalMove, the engagement with consumers is further enhanced as they are engaged with the software throughout the conveyancing journey with access to the helpdesk via a variety of engagement tools throughout.
Introducers	See page 49.	The Group has a wide range of introducers and has field and desk-based teams fully focused on communicating with them. The Group uses a wide variety of communication methods and is continually looking for feedback in order to further enhance its products and services.
Communities	This grouping encompasses a number of different elements including the communities in which our offices are based as well as the environment which has more global impact.	Employees are encouraged to take part in charitable activities often within their local communities and for causes with which they have a personal connection. See page 26 for further details. Additionally the business has a close connection with the Thame Community Centre and often supports its activities as well as the local secondary school.

Corporate social responsibility

ULS technology is committed to supporting the local economy, environment and wider community of the workforce. Over the last 12 months, the Company has led a series of initiatives and delivered engagement activities as part of this commitment.

Environmental and social responsibility

We passionately understand that any successful business must be proactive in striving for greater sustainability, diversity and involvement in the community, and over the last 12 months, the Company has led a series of initiatives and delivered engagement activities as part of this commitment. We will continue focusing on doing our part improving society through social and environmental performance, and through transparency.

1.3m

pieces of paper saved by DigitalMove*

Sustainability

At ULS technology, we encourage all staff to work digitally and minimise the amount of paper and ink used in reproduction of materials within the office buildings. However, that is just the start of our quest for greater sustainability. By investing in the digitisation of the home buying and selling process we are helping to reduce the amount of paperwork that is needed by solicitors and home movers. With digital communications and identity verification, we are also limiting the requirement to transport documents and reducing the need for consumers to travel to solicitor offices for meetings, helping to reduce vehicle emissions.

This approach has, to date, saved around 20 million sheets of paper being printed, which equates to around 197 trees as a result of consumers and stakeholders no longer having to handle physical documents when filling out their DigitalMove packs.

This has been supported by ULS technology depositing £5m into a Barclays Green Deposit account, whereby our cash balance is earmarked against 'green bonds' which are used to fund a host of different green projects. These run the full gamut from energy efficiency and renewable energy to sustainable food and the reduction of greenhouse gas emissions and mean that our assets are making a positive difference to the environment on a daily basis.

Diversity

Simply having diversity in our work force is not enough; we must create an inclusive environment for all. We value the uniqueness and talents, beliefs, backgrounds, capabilities and ways of working of all individuals, joined in a common endeavour, to create a culture of belonging. We strive to create better experiences for everyone at ULS technology, regardless of who they are, where they come from, or how they identify.

We also understand that we are not perfect and we acknowledge that we are on a journey – looking to move from being subconsciously unconscious to being consciously conscious for all areas of the business.

ULS technology is a proactive member of the Mortgage Solutions Diversity and Inclusion Forum and looks to involve as many of our people as possible in its events and discussions. We also recognise that any plan for a business to improve diversity and inclusion must fundamentally focus on its people and we endeavour to provide a supportive culture and framework to encourage the development and mental health of everyone across our business. This has been even more important over the last year, as the pandemic has created uncertainty and been unsettling for everyone and so we have tackled these challenges head on to provide our people with the support they need to flourish, whatever their role.

* **How we estimated the paper saved**

- Estimated average **50 pages** per starter pack
- **25,887 starter packs** were completed online between Apr-2020 – Mar-2021
- 50 pages ***25,887packs = approx. 1.3m pages**

> "To support our staff, we offer our EAP program which allows employees access to free counselling sessions. We also have a few members of staff who are on their way to becoming Mental Health First Aiders to help support our people further"

Charitable activities and local engagement

All our employees are entitled to a paid Volunteering Day each year, where staff are encouraged to support causes which are close to their hearts or that play an important role in their communities. For any charitable activities that staff undertake, ULS technology operates a contribution matching scheme, whereby we will donate the same amount to charity as has been contributed by employees.

Throughout the pandemic we have continued to engage staff in fundraising events including, for example, a football shirt Friday in aid of the Bobby Moore Fund which pioneers research into bowel cancer, and a COVID-compliant event to raise money for The Christie NHS Foundation Trust.

A large proportion of our colleagues live locally and have links with education institutes in the area, with many employees attending local schools prior to joining ULS technology. Over the last 12 months, the pandemic has limited physical engagement with the local area, but we have still continued to contribute, donating much-needed computer equipment to Lord Williams School to assist with remote learning during the pandemic. We have also previously provided teams to attend the careers day and arranged work placements for students and ULS technology has sponsored a sports kit for the school, generating revenue to support student activities.

> "In honour of my wife's mum, who we lost in January 2019, following her nine year cancer battle – I organised a COVID-compliant Christmas charity 5k or 10k run/ walk/ jog event for The Christie Charity, raising £3,250"

Employee well-being

Employee well-being is at the forefront of our work here at ULS technology

With the pandemic presenting new challenges during 2020/2021 and the transition of our staff's work-life from office to remote work, we are continuing to bring new activities and ideas to keep everyone connected.

We have weekly brew catchups and social groups where everyone is encouraged to share their thoughts and chat about anything – other than work! Our team receives monthly well-being emails with useful information and resources for helping maintain good mental health and take care of ourselves during this difficult time. We also send out seasonal appreciation hampers to all staff letting them know how much their hard work means to us.

Mental health in the workplace

We know that the more conversations we have, the more myths we can bust and barriers we can break down, helping to end the isolation, shame, and negative thoughts that too many of us with mental health issues sometimes feel.

We create an environment of support and openness, always encourage and welcome our staff to reach out and to share their thoughts, no matter how big or small – together we can end mental health stigma. We have interviewed several senior members of staff about their experiences with mental health and included these within the well-being newsletter to create awareness and reduce the stigma especially for those more junior employees who are worried about the impact of sharing their own experiences.

The Strategic Report on pages 6 to 27 has been approved by the board of directors on 9 July 2021.

A better conveyancing experience for Solicitors

Solicitors and licensed conveyancers play a crucial role in every property transaction and remain at the heart of what we do at ULS technology.

Through our in-depth knowledge of conveyancing, we have been able to focus our efforts on the main pain points experienced by solicitors and deliver solutions that improve communication, efficiency and transparency, minimise the risk of fraud, enable digital document signing and help get mover ID verified quickly and accurately.

The DigitalMove platform brings the home buying and selling process in line with the digital journeys in other industries, making the whole experience faster and more straightforward. This benefits every stakeholder in the process but is especially beneficial for solicitors and conveyancers. Consequently three legal firms have already integrated with DigitalMove and more integrations are scheduled in the coming financial year.

This has been particularly important over the last year as the rush of home buying activity to beat the limited window of the Stamp Duty Land Tax reduction put solicitors under more pressure than they ever have been before. Through this challenging period we have continued to support the home moving community including our solicitor partners and we have held regular virtual roundtables to keep our law firms engaged, with these becoming an invaluable channel for communication and collaboration.

As part of our strategy, we are building a componentised conveyancing platform focused on greater customer experience and conveyancer efficiency. Using data, artificial intelligence and machine learning, the platform will provide digital tools that eliminate many of the enquiries that conveyancers and solicitors currently receive, freeing up their valuable time.

“We spend a lot of time helping clients to fill in forms, I wish we could have DigitalMove for all our cases”

Even based on a conservative estimate per case, we have already saved conveyancers more than

800 days

worth of onboarding and admin, giving them more free time to work on the critical items.

“We have certainly had fewer questions from customers than normal”

Governance

"Cases are underway much earlier because of DigitalMove"

Board of Directors

Committee Memberships

- Remuneration Committee
- Audit Committee
- Nominations Committee
- Chair

see our Directors' skills and experience on page 34 and the Directors' Report on page 38

Martin Rowland
Chairman

Appointed

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

Background and Experience

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

Jesper With-Fogstrup
Chief Executive Officer

Appointed

Jesper joined the Company as CEO in January 2021.

Background and Experience

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

Jesper holds an Executive MBA from London Business School.

John Williams
Chief Financial Officer

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

Background and Experience
Prior to joining the Company, John was Finance Director at Stortext FM Limited, a private equity backed SaaS business specialising in document management. There, he led a merger process before taking the lead in a successful trade sale of the merged entity to Box-it Limited.

John is a chartered accountant, having qualified with Ernst & Young, before he gained blue-chip experience with Motorola in a number of roles.

Elaine Bucknor
Independent Non-Executive Director

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

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

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

Oliver Scott
Non-Executive Director

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

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

We welcome Jesper to the board this year and look forward to him driving our strategy and making home moving and ownership a better experience for everyone"

read more on page 07

Chairman's introduction to governance

ULS Technology plc and its subsidiaries are committed to high standards of corporate governance. The Directors recognise the importance of sound corporate governance and confirm that they aim to comply with best practice appropriate for a company of its nature and scale.

Taking this into account, the Board has chosen to comply with the QCA Corporate Governance Code. Below we outline how we have applied each of the principles of the code and how its application supports the Group's medium to long-term success.

Martin Rowland
Chairman

	Governance principle	Compliant
1	Establish a strategy and business model which promotes long-term value for shareholders	✓
2	Seek to understand and meet shareholder needs and expectations	✓
3	Take into account wider stakeholder and social responsibilities and their implications for long term success	✓
4	Embed effective risk management, considering both opportunities and threats, throughout the organisation	✓
5	Maintain the Board as a well functioning, balanced team led by the Chair	✓
6	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	✓
7	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	✓
8	Promote a corporate culture that is based on ethical values and behaviours	✓
9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	✓
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	✓

Summary explanation	Further detail
The Group strategy is to grow market share and value through focusing on continual improvement, innovation and quality. We will also endeavour to acquire complementary businesses to ULS technology where appropriate to do so.	See the Group's business model on pages 08 to 09 and strategy on pages 14 to 15
The Group seeks to maintain a regular dialogue with both existing and potential new shareholders to communicate the Group's strategy and progress and to understand the needs and expectations of its shareholders.	See our section 172 statement on pages 24 to 25
The Group has a range of stakeholders. Making sure that all stakeholders benefit from our business model helps to ensure the long-term viability of the business.	See our section 172 statement on pages 24 to 25
The Group has an effective risk evaluation and management structure in place.	Risk management and the principal risks and uncertainties affecting the Group are set out on pages 22 to 23
The Board maintains an effective mix between Executive and Non-Executive Directors and a range of experience and expertise to function effectively.	See our corporate governance report on pages 34 to 35
The Board considers that all of the Board Directors are of sufficient competence and calibre and, together, have the range of skills necessary to run and monitor the Group successfully.	See the Board of Directors' biographies on pages 30 to 31, and our corporate governance report on pages 34 to 35
The Board internally reviews its performance and is continually looking at ways to improve.	See our corporate governance report on pages 34 to 35
The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the written policies and working practices adopted by all employees in the Group. The Board understands that their decisions regarding strategy and risk will impact the corporate culture of the Group and that this in turn will impact the performance of the Group. The Board is aware that the control environment set will greatly impact all aspects of the Company and the way that employees behave and perform. The Board believes that sound ethical values and behaviours set out in the ULS technology Ethics policy are vital to enable the Company to achieve is corporate objectives. The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through informal discussions between Group management, operating company management and employees as well as regular 'town hall' meetings. The Board also conducts an annual anonymised employee survey to independently identify thoughts and concerns and also to track progress and trends by comparing to prior year responses.	See our corporate social responsibility report on pages 26 to 27
The Board has overall responsibility for promoting the success of the Group. The Executive Directors have day-to-day responsibility for the operational management of the Group's activities. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions.	See our corporate governance report on pages 34 to 35
How the Group and the Board communicates with its shareholders and other stakeholders is outlined above, in particular, under principles 2 and 3. The Annual Report, notice of AGMs and results of previous AGMs can be found on the Group's website.	See our section 172 statement on pages 24 to 25

Corporate governance statement

ULS Technology plc and its subsidiaries are committed to high standards of corporate governance.

The Directors recognise the importance of sound corporate governance and confirm that they aim to comply with best practice appropriate for a company of its nature and scale.

Board

The Group's Board is currently comprised of three Non-Executive Directors and two Executive Directors. The Chairman is responsible for the effective management of the Board.

All of the Board Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and will continue to seek re-election at least once every three years.

The Board considers Elaine Bucknor, Non-Executive Director, and Martin Rowland, Chairman, to be independent. The Board does not consider Oliver Scott as technically independent but he does provide a different perspective to the Executive Directors and therefore there are sufficient checks and balances within the Board for the size and complexity of the Group.

Elaine Bucknor and Martin Rowland receive their fees through payroll. Elaine is not part of any share incentive plan or bonus scheme. Martin was awarded share options in the period and was awarded a discretionary bonus as part of the sale of CAL. Martin also purchased shares during the period. These items are disclosed in the Annual Report on pages 36 to 38. The Board has considered Martin's independence and, since he reduced his time commitment from two days per week to two days per month from March 2021, they have concluded that he should be regarded as independent as his share and option holding are not sufficient to impede his independence and he is not part of any ongoing bonus scheme or subject to any future share option awards. However, the Board acknowledge that this is a marginal decision. The fee for Oliver Scott is invoiced by Kestrel Partners LLP and not paid to Oliver directly. Oliver is a partner of Kestrel Partners LLP who are the Company's largest shareholder.

Ten Board meetings are held each year where all Board Directors are expected to attend. The Non-Executive Directors will additionally meet with the Executive Directors on a regular basis. In particular, the Chairman will meet with the CEO at least monthly. The Non-Executive Directors' time commitment to the Group is at least two days per month while the Chairman's time commitment had been at least two days per week up until March 2021. Martin reduced his time commitment after he had overseen the transition to our new CEO, Jesper.

Board Meeting Attendance

Martin Rowland	10/10
Oliver Scott	10/10
Elaine Bucknor	10/10
Jesper With-Fogstrup	3/3
Steve Goodall	4/4
John Williams	10/10
Andrew Weston	10/10

Skills and experience

The Board considers that all of the Board Directors are of sufficient competence and calibre and, together, have the range of skills necessary to run and monitor the Group successfully.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Group. During the year Steve Goodall stepped down as CEO and we were delighted to be able to attract Jesper to the role who has held senior roles at HSBC and CompareTheMarket.

Elaine Bucknor has been on the Board for three years. As a technology company, the Board felt it was important to have a technology specialist as a Non-Executive Director and were delighted that someone with Elaine's background and experience agreed to join. Elaine chairs the Nominations Committee.

Oliver joined the Board in January 2020. He is a partner of Kestrel Partners LLP, the Company's largest shareholder. Oliver has sat on a number of Boards as a Non-Executive Director and brings the perspective of a significant shareholder to the Board table. However, the Board is cognisant of the fact shareholders have a range of views and keep this fact to the forefront of their decision making process. Oliver is Chair of the Remuneration Committee.

Martin re-joined the Board in November 2018 as Non-Executive Director and became Chairman in February 2020. As well as being a qualified accountant Martin has extensive M&A experience and has held a number of Executive and Non-Executive positions. Martin is Chair of the Audit Committee.

Board evaluation

The Board undertook an evaluation of the Board and Committees with an external evaluation provider. The process involved the circulation of a questionnaire which aimed to solicit feedback on the Board's strategy, composition, processes and governance. Positive feedback on the Board's progress was received in every category. The review highlighted a number of key areas for future focus and attention:

- Implement our strategy to maximise the opportunities presented by DigitalMove and the KPIs that underpin our strategy;
- Enhanced focus on quality and skill base on the Board, ensuring succession plans are developed over the next 12 months;
- Facilitate more open dialogue between the Board and senior managers, allowing for more senior management presentations at Board meetings during the year; and
- Enhanced focus on culture and views from the wider stakeholder group.

The Board will continue to work together to address key areas raised during the external evaluation and will consider conducting an internal evaluation during the current period.

Board structure

Nominations Committee Report

The Nominations Committee is chaired by Elaine Bucknor and includes Martin Rowland and Oliver Scott. It meets at least twice a year and is responsible for reviewing the size, structure and composition of the Board, succession planning, the appointment and/or replacement of additional Directors and for making appropriate recommendations to the Board.

During the reporting year, the Committee was active in appointing Jesper With-Fogstrup as CEO. An extensive search was undertaken and the Committee was delighted to attract someone of Jesper's experience and vision.

Having previously considered that only Elaine be fully regarded as independent, as mentioned on the previous page, the Committee now considers Martin to also be independent. They will keep this under review but, as such, the Committee considers that there is sufficient experience, diversity and independence on the Board.

Audit Committee Report

The Audit Committee is chaired by Martin Rowland and includes Oliver Scott and Elaine Bucknor. It meets at least twice a year and may invite other Directors to attend its meetings. The Committee is responsible for reviewing a wide range of matters, including half year and annual results before their submission to the Board, and for monitoring the controls that are in force to ensure the integrity of information reported to the shareholders. The Audit Committee will also meet with the auditors without the presence of the Executive Directors.

During the year Martin replaced Oliver as Chair of the Committee. As Chair, Martin met with the external auditors prior to the audit to discuss areas of risk and where particular focus should be placed. The Committee agreed with the areas identified by the external auditors as key audit matters as reported on pages 43 and 44.

During the year, the Committee decided that given Grant Thornton had been in place as the Group's auditors since the Group listed in 2014 that it should conduct a process to review the Group's auditors. As a result of this process BDO have been appointed as new auditors of the Group.

Board structures

The Board

The Board has overall responsibility for promoting the success of the Group. The Executive Directors have day-to-day responsibility for the operational management of the Group's activities. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions.

The Board has established Audit, Remuneration and Nominations Committees.

Remuneration Committee report

The Remuneration Committee is chaired by Oliver Scott and includes Martin Rowland and Elaine Bucknor.

It meets at least twice a year and no Director is permitted to participate in discussion or decisions concerning their own remuneration. The Remuneration Committee reviews the performance of the Executive Directors. It sets and reviews the scale and structure of their remuneration, the basis of their remuneration and the terms of their service agreements with due regard to the interests of shareholders. In determining the remuneration of Executive Directors, the Remuneration Committee will seek to enable the Group to attract and retain staff of the highest calibre. The Remuneration Committee will also make recommendations to the Board concerning the allocation of share options to employees.

The remuneration of Directors and the share options they hold can be seen below and on the following page. The Executive Directors are primarily rewarded through basic salary, annual bonuses and share options. The bonuses will be paid against a mixture of Group and personal targets. These targets are set at the start of the year and measured after the year is complete and accounts agreed. Share options are used to incentivise longer-term profit growth and value creation. The Committee is of the opinion that by using this combination of incentives the Executives are fully aligned with the interests of the shareholders.

During the year discretionary bonuses were paid primarily based on the sale of CAL which generated a substantial profit and cash amount for the Group. These bonuses were included as part of costs of disposal. It also awarded a number of share options as shown on page 37.

Pay reviews for the Executives are conducted annually and the committee uses external benchmarking reports as an aid. During the reporting year, the Committee agreed the package for Steve Goodall on departing the business and for Jesper With-Fogstrup. Additionally there was an above inflation rise for Andrew Weston, the second of a two-staged process as a result of the benchmarking exercise. A reduction in fee was agreed for Martin Rowland when he reduced his time commitment to approximately two days per month.

During the year, in response to the initial COVID-19 situation, the Chairman and the Executive Directors along with some other senior staff took a 20% salary deferral for three months along with some other senior management which has since been repaid. The other Non-Executive Directors waived their fees entirely for three months.

Directors' remuneration

The following table sets out an analysis of the pre-tax remuneration for the year ended 31 March 2021 for the individual Directors who held office in the Company during the year:

	2021 Salary/ fees £	2021 Bonuses £	2021 Pension £	2021 Benefits in kind £	2021 Sub Total £	2021 Share-based payment £	2021 Total £	2020 Total £
Andrew Weston	142,500	–	6,413	1,168	150,081	13,225	163,306	144,859
John Williams	154,804	50,000	7,395	1,214	213,413	17,374	230,787	163,728
Steve Goodall[1]	266,673	–	7,261	1,080	275,014	(107,647)	167,367	240,216
Elaine Bucknor[3]	26,250	–	1,181	–	27,432	–	27,432	36,225
Martin Rowland	93,000	100,000	4,185	–	197,185	31,155	228,340	41,486
Oliver Scott[2,3]	26,250	–	–	–	26,250	–	26,250	8,280
Jesper With-Fogstrup	56,250	–	2,000	307	58,557	16,918	75,475	–
	765,727	150,000	28,435	3,769	947,931	(28,975)	918,956	634,794

1 The salary for Steve Goodall includes a payment relating to him leaving the business of £89,600.

2 The fee for the services of Oliver Scott is paid to Kestrel and not to Oliver directly.

3 Elaine Bucknor and Oliver Scott waived three months' fees during the period.

The share-based payment charge for Steve Goodall is negative due to the write back of previous charges on options which lapsed prior to vesting when he left the business.

The Group operates a salary sacrifice scheme for pension contributions and the amount sacrificed is included in salary and fees.

Steve Goodall resigned as a Director on 25 September 2020. Jesper With-Fogstrup was appointed as a Director on 25 January 2021.

Share options

The share-based payment of £(28,975) (2020: £64,802) to Directors represents the share-based expense relating to share options issued in prior and current years. The following share options table comprises share options held by Directors who held office during the year ended 31 March 2021:

	Options held at 31 March 2020	Options granted in period	Options exercised in period	Options lapsed in period	Options held at 31 March 2021	Exercise price (p)	Exercisable from	Exercisable to
John Williams	258,911	–	(86,304)	–	172,607	40.00	18/08/17	17/08/24
John Williams	226,898	–	–	–	226,898	76.75	21/12/19	20/12/26
John Williams	–	300,000	–	–	300,000	53.90	14/07/23	13/07/30
Andrew Weston	226,898	–	–	–	226,898	76.75	21/12/19	20/12/26
Andrew Weston	–	200,000	–	–	200,000	53.90	14/07/23	13/07/30
Steve Goodall	322,500	–	–	(322,500)	–	106.00	01/05/20	31/04/27
Steve Goodall	327,500	–	–	(327,500)	–	134.25	28/06/21	27/06/28
Steve Goodall	–	500,000	–	(500,000)	–	53.90	14/07/23	13/07/30
Martin Rowland	–	750,000	–	–	750,000	53.90	14/07/23	13/07/30
Jesper With-Fogstrup	–	675,000	–	–	675,000	86.00	18/02/24	17/02/31

Share options issued to the Executive Directors in the period have performance conditions attached to them. All other options have no conditions bar standard employment status and passage of time.

Directors' report

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

Principal activity

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

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

Legal-Eye Limited provides risk management and compliance services to solicitors and licensed conveyancers.

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

Review of business and future developments

The review of the business and future developments is outlined in the Chairman's statement on pages 06 and 07 and the Chief Executive's Statement on pages 18 and 19.

Dividends

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

Directors

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

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

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

Employee involvement

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

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

Substantial shareholders

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

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

Research and development

The Group develops software products in-house and CAL uses an external provider to do the same. These are capitalised in line with the accounting policies shown on page 62.

Financial instruments and risks

The Group's operations expose it to a variety of liquidity, credit and interest rate risks. Details of the use of financial instruments by ULS technology and these risks are contained in pages 73 to 75 of the financial statements.

Share dealing code

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

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

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

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

Directors' report continued

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Auditors

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

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

Jesper With-Fogstrup
Chief Executive Officer
ULS Technology plc

John Williams
Chief Financial Officer
ULS Technology plc

9 July 2021

Company number: 07466574

Independent auditor's report

to the members of United Legal Services Technology plc

Opinion on the financial statements

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 March 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of ULS Technology plc the ('Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows, Parent Company balance sheet, Parent Company statement of changes in equity and notes to the financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent auditor's report continued

to the members of United Legal Services Technology plc

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

We obtained an understanding of the business model, objectives, strategies and related business risk. We also assessed the Group and Parent Company's financial performance and forecasting and budgeting processes.

We obtained the Director's assessment of the ability of the Group and Parent Company to continue as a going concern for at least 12 months from the date of the annual report and:

- challenged the Directors' methodology, including the relevance and reliability of underlying data, used to make the assessment (being at least 12 months cash flow forecast data from the date the annual report and accounts are approved).
- assessed the reasonableness of the assumptions applied and downside stress case sensitivities using our knowledge of the business.
- reviewed the underlying forecast model and assessed the Directors' historical forecast accuracy, including comparing the post balance sheet period actuals against forecast.
- evaluated the Directors' plans for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances and approved by the board.
- considered the adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment and any material uncertainties that may exist.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage[1]	94% of Group profit before tax	
	100% of Group revenue	
	100% of Group total assets	
Key audit matters		**2020**
	Revenue recognition	✓
	Carrying value of goodwill and other acquired intangibles	✓
	Accounting for the disposal of Conveyancing Alliance (Holdings) Limited and related disclosures	✓
Materiality	**Group financial statements as a whole**	
	£169,000 based on 1% of revenue from continuing operations	

1 These are areas which have been subject to a full scope audit by the group engagement team.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates through a number of legal entities, which form reporting components all of which are incorporated in the UK. The components that were considered to be significant were the Parent Company and its subsidiary United Legal Services Limited. Both significant components were subject to full scope audits which were completed by the Group team. Non-significant components were subject to either specified procedures or desktop review procedures. All audit work was carried out by BDO LLP.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit addressed the key audit matter
Revenue recognition	
The accounting policy for revenue is disclosed in the notes to the consolidated financial statements. The segmental information relating to Group revenue is disclosed in note 1 to the consolidated financial statements. Revenue relating to discontinued operations is disclosed in note 8 to the consolidated financial statements. There is a degree of management judgement involved in relation to the timing and recognition of revenue. Revenue may not be recognised in the correct period due to inappropriate cut-off being applied at the year end, or consultancy revenue which has not been earned not being appropriately deferred. This risk of inappropriate deferral arises from the potential that management either do not correctly identify or calculate the revenue related to future services and therefore do not accurately defer the related revenue. We therefore identified revenue recognition and the related disclosures as a significant risk and a key audit matter.	Our audit procedures included: Identifying the Group's revenue streams and determining whether the related revenue recognition policy was in accordance with IFRS 15. We reviewed management's assessment of IFRS 15 and considered the application in line with our revenue sample testing. Identifying the key controls within both the accounting system and the CRM ("customer relationship management") systems, and testing their operating effectiveness. Reconciling the Group's CRM systems to the accounting system and investigating any reconciling items arising to provide evidence of the completeness of revenue transactions recorded in the accounting system. Selecting a sample of revenue transactions from the accounting system and agreeing through to the CRM system, completion date, invoice, and bank payment, to ensure that revenue was accurately recorded within the accounting system in the correct accounting period based on case completion date. Selecting a sample of sales recognised pre and post year end and agreeing case completion dates to those agreed by customers to determine whether the sale had been recognised in the correct period. Where sale transactions resulted in deferred revenue we selected samples from both the invoice listing and deferred revenue listing, recalculated and obtained supporting documentation for the revenue deferred based on the case completion date. **Key observations:** Our work did not identify any material misstatements with respect to the amount of revenue recognised or the related financial statement disclosures.

Independent auditor's report continued

to the members of United Legal Services Technology plc

Key audit matters continued

Key Audit Matter	How the scope of our audit addressed the key audit matter
Carrying value of goodwill and other acquired intangibles	
The accounting policy for goodwill and other intangibles is disclosed in the notes to the consolidated financial statements. Goodwill is disclosed in note 11 and Other intangibles in note 14 to the consolidated financial statements. Past acquisitions have given rise to significant intangible asset balances. The carrying value of goodwill at the year end is £4.5m. The carrying value of Other acquired intangible assets at the year end was £0.5m. Under IAS 36 management are required to perform an impairment review of goodwill on an individual Cash Generating Unit ("CGU") basis. Management are also required to assess whether other intangible assets may be impaired. Significant judgement and estimation is required in management's impairment reviews, including in respect of the discount rate, terminal and growth rate and in determining forecast cash flows relating to CGU's. We therefore identified the carrying value of goodwill and Other intangible assets and the related disclosures as a significant risk and area of audit focus.	Our audit procedures included: Agreeing revenue and margin in the impairment models to forecasts approved by the Board. Ensuring the forecasts used in the impairment review were internally consistent with those used for the going concern assessment. Reviewing management's sensitivity analysis of the key assumptions to determine if there is adequate headroom. We assessed management's ability to forecast accurately through review of prior budget to actual outturns and considered the appropriateness of the assumptions considered in the forecast. Using our internal valuations specialists to review the mechanics of the impairment model calculations and the reasonability of the discount rates applied in line with comparable companies and entity specific factors. Considering the appropriateness of disclosures within the consolidated financial statements. **Key observations:** Based on the results of our work we considered management's assessment of impairment to be appropriate.
Disposal accounting and disclosures	
The accounting policy for discontinued operations is disclosed in the notes to the consolidated financial statements. The impact of the discontinued operations is disclosed in note 8 of the consolidated financial statements. Conveyancing Alliance (Holdings) Limited and its subsidiary Conveyancing Alliance Limited (together "CAL") were disposed of in November 2020 for a total consideration of £27.4m giving rise to a gain on disposal after tax of £18.1m. Due to the significance of the disposal of CAL a significant risk was identified in respect of the accounting for and disclosure of discontinued operations and it was a key area of audit focus.	Our audit procedures included: Reviewing the sale documentation, including the share purchase agreement, completion statements and invoices for related fees and agreeing these to the consideration receivable and costs of disposal recognised within the accounts. Performing cut-off procedures for CAL to ensure the appropriate results for the period are consolidated into the Group financial statements. Performing substantive audit procedures on the balance sheet at the date of disposal, agreeing balances to supporting documentation, to confirm the assets and liabilities at the date of disposal. Consideration of the appropriateness of the disclosures made in the consolidated financial statements in consideration of the requirements of both IFRS 5 and IFRS 10. **Key observations:** We considered management's accounting for the disclosure of CAL and the related disclosures in the financial statements to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements 2021 £	Parent company financial statements 2021 £
Materiality	£169,000	£90,000
Basis for determining materiality	1% of Revenue	0.3% of Total Assets
Rationale for the benchmark applied	Due to the impact of the COVID-19 pandemic and the disposal of CAL, the group has recorded a loss before tax from continuing operations. As a result and given that Revenue is a key performance indicator for the business, we considered that Revenue provided the most appropriate measure on which to base materiality.	Total assets was considered the most appropriate benchmark as the Parent Company does not trade.
Performance materiality	£114,000	£60,750
Basis for determining performance materiality	67.5% of overall materiality	67.5% of overall materiality

Component materiality

We set materiality for each significant component of the Group based on a percentage of between 53% and 96% of Group materiality dependent on size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £90,000 to £162,000. In the audit of each component, we further applied performance materiality levels of 67.5% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to the committee all individual audit differences in excess of £5,000. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report & Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent auditor's report continued

to the members of United Legal Services Technology plc

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	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, 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.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Gaining an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, through discussion with management and the audit committee and our knowledge of the industry. The significant laws and regulations we considered in this context included the UK Companies Act, the applicable accounting framework, and relevant tax legislation;
- Discussing among the audit engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud;
- Enquiring of management and the audit committee, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering our knowledge of the nature of the industry, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration and performance targets;
- Testing the appropriateness of journal entries made through the year by applying specific criteria to detect possible irregularities and fraud;
- Performing a detailed review of the Group's year-end adjusting entries, assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- Assessing whether the judgements made in significant accounting estimates were indicative of a potential bias;
- In addressing the risk for fraud in revenue recognition, testing the appropriateness of the revenue recognition policies and the application of these policies and performing specific procedures over the existence and cut-off of revenue;
- Reviewing minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Pooles

(Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Reading, United Kingdom

9 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

> Customers are delighted with the instant email to log-in and access straight away”

Financial Statements

A more rewarding experience for Introducers

Introducers, such as lenders, mortgage brokers and estate agents, are a hugely important part of our business as they enable us to improve the home buying, selling and owning experience for a wider group of consumers. It is therefore important that we ensure we are continuing to create a rewarding experience for our introducers.

Introducers have always found our platforms useful to find the right conveyancer for their client at the right price, backed up by our no completion, no fee promise and market-leading service proposition. Over the last year we have delivered even more ways for them to add value to their client relationships.

DigitalMove, for example, has become a significant differentiator for introducers, giving their consumers the chance to get started instantly and enjoy the benefits of an intuitive digital onboarding and process. Rapid Remo has enabled borrowers to refinance their homeloan more quickly and easily. And we have introduced additional marketplace services helping consumers to a calmer home move. We will continue to build on these services as part of our strategy of providing consumers with great conveniently available deals on household finance and utility products at the time when they will be at most need to acquire, or review, those services.

We don't stop at just offering all of these services. We deliver them in the way that best suits the business of our introducers, with specialist experience in delivering third party solutions. Our platform now powers more than 250 customised sites and nearly 40 white labelled versions, which offer clients full flexibility regarding branded interface.

Nearly

2,000

brokers actively using our platforms, a YoY increase of 21%.

"Having the digital 'welcome pack' available is a big win. Via post or email some do go missing and waste time"

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Consolidated income statement

for the year ended 31 March 2021

	Notes	2021 £000's	2020[1] £000's
Continuing operations			
Revenue	1	**16,926**	20,705
Cost of sales		**(10,013)**	(11,957)
Gross profit		**6,913**	8,748
Exceptional administrative expenses		**(1,457)**	(130)
Other administrative expenses		**(7,829)**	(6,319)
Administrative expenses		**(9,286)**	(6,449)
Operating (loss)/profit before exceptional expenses		**(916)**	2,429
Exceptional admin expenses	3	**(1,457)**	(130)
Operating (loss)/profit	2	**(2,373)**	2,299
Finance income	5	**16**	11
Finance costs	6	**(126)**	(194)
Share of results of associates	13	**94**	–
(Loss)/profit before tax		**(2,389)**	2,116
Tax expense	7	**562**	(358)
(Loss)/profit for the financial year from continuing operations		**(1,827)**	1,758
Discontinued operations	8		
Profit for the year from discontinued operations		**1,060**	1,507
Gain on disposal	26	**18,145**	–
Total profit for the year from discontinued operations		**19,205**	1,507
Profit for the financial year attributable to the Group's equity shareholders		**17,378**	3,265
Earnings per share from continuing operations			
Basic earnings per share (£)	9	**(0.0282)**	0.0273
Diluted earnings per share (£)	9	**(0.0282)**	0.0257
Earnings per share from continuing and discontinued operations			
Basic earnings per share (£)	9	**0.2679**	0.0506
Diluted earnings per share (£)	9	**0.2536**	0.0482

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

Consolidated statement of comprehensive income

for the year ended 31 March 2021

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

Consolidated balance sheet

as at 31 March 2021

	Notes	2021 £000's	2020 £000's
Assets			
Non-current assets			
Intangible assets	14	**1,799**	6,151
Goodwill	11	**4,524**	11,008
Financial assets at FVOCI	12	**–**	–
Investment in associates	13	**627**	533
Property, plant and equipment	15	**1,830**	2,140
Long-term receivables	16	**200**	250
Prepayments	16	**111**	123
		9,091	20,205
Current assets			
Trade and other receivables	16	**1,452**	1,874
Current tax receivable		**249**	–
Cash and cash equivalents	17	**23,976**	2,340
		25,677	4,214
Total assets		**34,768**	24,419
Equity and liabilities			
Capital and reserves attributable to the Group's equity shareholders			
Share capital	18	**259**	259
EBT reserve		**(397)**	(453)
Share premium		**4,609**	4,609
Capital redemption reserve		**113**	113
Share based payment reserve		**418**	427
Retained earnings		**24,913**	7,624
Total equity		**29,915**	12,579
Non-current liabilities			
Borrowings	21	**–**	750
Lease liabilities	25	**1,162**	1,309
Deferred taxation	7	**280**	1,045
		1,442	3,104
Current liabilities			
Trade and other payables	20	**3,249**	3,296
Borrowings	21	**–**	5,000
Lease liabilities	25	**162**	158
Current tax payable		**–**	282
		3,411	8,736
Total liabilities		**4,853**	11,840
Total equity and liabilities		**34,768**	24,419

The financial statements were approved by the Board of Directors on 9 July 2021 and were signed on its behalf by:

Jesper With-Fogstrup
Chief Executive Officer
ULS Technology plc

John Williams
Finance Director
ULS Technology plc

Company number: 07466574

Consolidated statement of changes in equity

for the year ended 31 March 2021

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

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

	Notes	2021 £000's	2020 £000's
Cash flow from operating activities			
Operating (loss)/profit before tax from continuing operations		**(2,389)**	2,116
Operating profit before tax from discontinued operations	8	**19,039**	1,908
Group operating profit before tax for the financial year		**16,650**	4,024
Finance income	5	**(16)**	(14)
Finance costs	6	**126**	195
Loss on disposal of plant and equipment		**1,457**	–
Share of loss/(profit) from associate	13	**(94)**	18
Amortisation	14	**1,158**	1,196
Depreciation	15	**345**	324
Impairment of financial assets at FVOCI		**–**	100
Share–based payments		**1**	143
Tax paid		**(319)**	(793)
Gain on disposal of discontinued operations excl costs	26	**(18,027)**	–
		1,281	5,193
Changes in working capital			
Decrease in inventories		**–**	48
(Increase) in trade and other receivables		**(120)**	(22)
(Decrease)/increase in trade and other payables		**931**	(180)
Cash inflow from operating activities		**2,092**	5,039
Cash flow from investing activities			
Purchase of intangible software assets	14	**(831)**	(905)
Purchase of property, plant and equipment	15	**(64)**	(405)
Disposal of subsidiary	26	**26,426**	–
Payment of deferred consideration		**–**	(2,337)
Interest received	5	**17**	14
Net cash from/(used in) investing activities		**25,548**	(3,633)
Cash flow from financing activities			
Share issue proceeds		**–**	24
Dividends paid	33	**–**	(1,581)
Interest paid	6	**(91)**	(195)
Lease payments		**(170)**	(155)
Repayment of loan to associate		**50**	–
Movement on RCF	21	**(4,000)**	2,000
Repayment of loans	21	**(1,750)**	(1,000)
Shares Traded by EBT		**(43)**	(11)
Net cash used in financing activities		**(6,004)**	(918)
Net increase/(decrease) in cash and cash equivalents		**21,636**	488
Cash and cash equivalents at beginning of financial year		**2,340**	1,852
Cash and cash equivalents at end of financial year		**23,976**	2,340

Notes to the consolidated financial statements

Principal accounting policies

Basis of preparation

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

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

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

Going Concern

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

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

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

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

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

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

Basis of consolidation

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

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

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

Business combinations

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

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

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

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

Acquisition-related costs are expensed as incurred.

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

Discontinued operations

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

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

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

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

Interest in associates

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

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

Employee benefit trust

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

Revenue recognition

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

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

Revenue from a contract to provide services which are completed at an identifiable point in time is recognised when the performance obligation is met, and when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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

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

Notes to the consolidated financial statements

Principal accounting policies continued

Segmental reporting

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

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

Operating expenses

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

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

Finance income and costs

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

Goodwill

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

Other intangible assets

Capitalised development expenditure

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

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

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

- Capital development expenditure – Straight line over 4 to 7 years.
- Development expenditure not meeting the criteria to be capitalised totalled £136,000 (2020: £nil).

Brand names and customer and introducer relationships

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

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

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

Property, plant and equipment

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

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

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

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

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

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

Impairment of non-current assets including goodwill

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

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

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

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

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

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

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

Cash and cash equivalents

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

Notes to the consolidated financial statements

Principal accounting policies continued

Financial instruments

Recognition and derecognition

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

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

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

Classification and initial measurement of financial assets

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

Financial assets are classified into the following categories:

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI).

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

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

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

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is 'hold to collect' the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Impairment of financial assets

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

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

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

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

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

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

Trade and other receivables and contract assets

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

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

Classification and measurement of financial liabilities

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

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

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

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

Current taxation

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

Deferred taxation

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

Deferred tax liabilities are provided in full.

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

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

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

Employment benefits

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

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

Notes to the consolidated financial statements

Principal accounting policies continued

Leasing

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

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

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

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

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

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

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

Equity and reserves

Equity and reserves comprise the following:

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

Share-based employee remuneration

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

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

All share-based remuneration is ultimately recognised as an expense in profit and loss with a corresponding credit to share-based payment reserve. The expense is allocated over the vesting period. Other than the requirement to be an employee at the point of exercise there are no other vesting requirements and all share options are expected to become exercisable. Subsequent revisions to this give rise to an adjustment to cumulative share-based compensation which is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

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

Contingent liabilities

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

New and amended International Financial Reporting Standards adopted by the Group

The following new standards, amendments to standards or interpretations are effective for the first time this year applicable to the Group.

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

International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these Consolidated Financial Statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Group.

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

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

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Balance Sheet reporting date and the reported amounts of revenues and expenses during the reporting period.

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

Estimates

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

Impairment review

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

Useful lives of depreciable assets

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

Notes to the consolidated financial statements

Principal accounting policies continued

Contingent consideration arising on business combinations

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

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

Judgements

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

Capitalisation of development expenditure

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

Investment in Associates

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

1. Segmental reporting

Operating segments

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

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

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

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

2. Operating (loss)/profit

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

3. Exceptional administrative expenses

	2021 £000's	2020 £000's
Write-off of capitalised development costs	**1,457**	–
M&A expenses (including abortive costs)	**–**	30
Impairment of financial assets at FVOCI	**–**	100
	1,457	130

M&A expenses relates to abortive costs only.

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

4. Directors and employees

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

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

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

	2021 £000's	2020 £000's
By activity:		
Production	**34**	33
Distribution	**30**	35
Administrative	**27**	23
Management	**9**	11
	100	102

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

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

Notes to the consolidated financial statements continued

4. Directors and employees continued

A breakdown of the emoluments for Directors can be found in the Directors' Remuneration Report on page 36 where the Highest paid Director can also be identified.

Key management personnel are identified as the Executive Directors.

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

Payments of pensions contributions have been made on behalf of Directors (see page 36).

5. Finance income

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

6. Finance costs

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

7. Taxation

Analysis of credit in year	2021 £000's	2020 £000's
Current tax		
United Kingdom		
UK corporation tax on profits for the year	**24**	745
Deferred tax		
United Kingdom		
Origination and reversal of temporary differences	**(752)**	14
Corporation tax (credit)/charge	**(728)**	759
Continuing and discontinued operations		
Continuing operations	**(562)**	358
Discontinued operations	**259**	401
Tax relating to disposal	**(425)**	–
Corporation tax (credit)/charge	**(728)**	759

The differences are explained as follows:

	2021 £000's	2020 £000's
Profit before tax	**16,650**	4,024
UK corporation tax rate	**19%**	19%
Expected tax expense	**3,164**	765
Adjustments relating to prior year	**30**	(2)
Adjustment for additional R&D tax relief	**(229)**	(197)
Adjust opening deferred tax rate to 19%	**–**	33
Deferred tax not recognised	**–**	1
Non-taxable gain on sale of Group company	**(3,900)**	–
Unused tax losses	**208**	–
Adjustment for non-deductible expenses		
– Expenses not deductible for tax purposes	**42**	133
– Other permanent differences	**(42)**	26
Income tax (credit)/charge	**(728)**	759

Deferred tax

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

	2021 £000's	2020 £000's
Deferred tax liabilities at period end:		
Property, plant and equipment and capitalised development spend temporary differences	**233**	450
Deferred tax recognised on acquisitions of Legal Eye and Conveyancing Alliance	**105**	595
Deferred tax on share options	**(58)**	–
Deferred tax liabilities – closing balance at 31 March	**280**	1,045

Notes to the consolidated financial statements continued

8. Discontinued operations

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

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

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

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

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

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

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

9. Earnings per share

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

From continuing and discontinued operations:

Basic earnings per share

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

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

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

From continuing operations:

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

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

	2021 £000's	2020 £000's
Earnings used in the calculation of total basic and diluted earnings per share	**(1,827)**	1,758

From discontinued operations:

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements continued

10. Subsidiaries

Details of the Group's subsidiaries are as follows:

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

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

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

11. Goodwill

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

Goodwill split by CGU is as follows:

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

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

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

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

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

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

12. Financial assets at FVOCI

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

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

13. Investment in associates

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

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

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

14. Intangible assets

	Capitalised development expenditure £000's	Acquired technology platform £000's	Customer and Introducer relationships £000's	Brands £000's	Total £000's
Cost					
At 1 April 2019	4,886	1,117	3,619	568	10,190
Additions	905	–	–	–	905
Disposals	–	–	–	–	–
At 31 March 2020	5,791	1,117	3,619	568	11,095
Additions	831	–	–	–	831
Subsidiary Sale	(307)	(1,117)	(2,549)	(342)	(4,315)
Disposals	(1,688)	–	–	–	(1,688)
At 31 March 2021	**4,627**	**–**	**1,070**	**226**	**5,923**
Accumulated amortisation					
At 1 April 2019	2,366	284	926	172	3,748
Charge	658	124	357	57	1,196
Disposals	–	–	–	–	–
At 31 March 2020	3,024	408	1,283	229	4,944
Charge	800	73	243	42	1,158
Subsidiary Sale	(241)	(481)	(892)	(132)	(1,746)
Disposals	(230)	–	–	–	(230)
At 31 March 2021	**3,353**	**–**	**634**	**138**	**4,125**
Net book value					
At 1 April 2019	2,520	833	2,693	396	6,442
At 31 March 2020	2,767	709	2,336	339	6,151
At 31 March 2021	**1,274**	**–**	**436**	**89**	**1,799**

Notes to the consolidated financial statements continued

14. Intangible assets continued

Amortisation is included within administrative expenses.

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

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

15. Property, plant and equipment

	Leasehold improvements £000's	Right of use assets £000's	Computer equipment £000's	Fixtures and fittings £000's	Total £000's
Cost					
At 1 April 2019	569	–	952	91	1,612
Transition to IFRS 16	–	565	–	–	565
Additions	246	1,058	119	40	1,463
Disposals	–	–	–	(3)	(3)
At 31 March 2020	815	1,623	1,071	128	3,637
Additions	–	–	58	7	65
Subsidiary Sale	–	(34)	(68)	(6)	(108)
Disposals	–	–	(23)	–	(23)
At 31 March 2021	**815**	**1,589**	**1,038**	**129**	**3,570**
Accumulated depreciation					
At 1 April 2019	569	–	528	78	1,175
Charge	10	121	186	7	324
Disposals	–	–	–	(2)	(2)
At 31 March 2020	579	121	714	83	1,497
Charge	24	167	143	11	345
Subsidiary Sale	–	(25)	(52)	(2)	(79)
Disposals	–	–	(23)	–	(23)
At 31 March 2021	**603**	**263**	**782**	**92**	**1,740**
Net book value					
At 1 April 2019	–	–	424	13	437
At 31 March 2020	236	1,502	357	45	2,140
At 31 March 2021	**212**	**1,326**	**256**	**37**	**1,830**

Depreciation is recognised within administrative expenses.

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

16. Trade and other receivables

	2021 £'000	2020 £'000
Current assets		
Trade receivables	**857**	1,302
Other receivables	**52**	286
Prepayments	**543**	286
	1,452	1,874
Non-current assets		
Prepayments	**111**	123
Long-term receivables (loans to associate)	**200**	250
	311	373

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

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

17. Cash and cash equivalents

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

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

18. Share capital

Allotted, issued and fully paid

The Company has one class of ordinary share which carries no right to fixed income nor has any preferences or restrictions attached.

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

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

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

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

Notes to the consolidated financial statements continued

19. Share-based payments

Ordinary share options:

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

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

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

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

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

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

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

Date of grant	Exercise price (£)	Share price at date of grant (£)	Options in issue as 31 March 2021
18 August 2014	0.4000	0.4800	308,384
21 August 2015	0.5350	0.5350	34,520
7 November 2016	0.7025	0.7025	466,023
21 December 2016	0.7675	0.7675	563,933
28 June 2018	1.3425	1.3425	200,000
9 August 2018	1.3325	1.3325	502,500
14 July 2020	0.5390	0.5390	1,250,000
14 January 2021	0.8000	0.8000	200,000
19 February 2021	0.8600	0.8600	675,000

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

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

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

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

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

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

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

20. Trade and other payables

	2021 £000's	2020 £000's
Trade payables	**2,110**	1,707
PAYE and social security	**140**	149
VAT	**292**	680
Other creditors	**292**	294
Accruals and deferred income	**414**	466
	3,249	3,296

21. Borrowings

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

Reconciliation of liabilities arising from financing activities

	2021			2020		
	Bank loans £000's	Leases	Total debt £'000	Bank loans £000's	Leases	Total debt £'000
Balance at 1 April	**5,750**	**1,467**	**7,217**	4,750	–	4,750
Lease liabilities recognised by implementation of IFRS16	**–**	**–**	**–**	–	1,596	1,596
Loan or lease repayments	**(1,750)**	**(170)**	**(1,920)**	(1,000)	(155)	(1,155)
Finance charges	**–**	**35**	**35**	–	26	26
Disposal of subsidiary	**–**	**(8)**	**(8)**	–	–	–
Movement in revolving cash flow facility	**(4,000)**	**–**	**(4,000)**	2,000	–	2,000
Balance at 31 March	**–**	**1,324**	**1,324**	5,750	1,467	7,217

Summary of borrowing arrangements:

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

22. Financial instruments

Classification of financial instruments

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

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

Notes to the consolidated financial statements continued

22. Financial instruments continued

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

Financial assets

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

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

Financial liabilities

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

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

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

No financial liabilities are carried at fair value.

Level 3 fair value measurements

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

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

Financial instrument risk exposure and management

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

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

Liquidity risk

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

Credit risk

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

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

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

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

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

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

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

Interest rate risk

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

23. Liquidity risk

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

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

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

Notes to the consolidated financial statements continued

23. Liquidity risk continued

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

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

24. Capital management

The Group's capital management objectives are:

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

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

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

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

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

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

25. Lease arrangements

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

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

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

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

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

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

For details of right of use assets see note 15.

26. Disposal of subsidiaries

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

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

	2021 £000's
Cash consideration received	27,355
Total Consideration received	27,355
Cash disposed of	(929)
Net cash inflow on disposal of discontinued operation	26,426
Net assets disposed of (other than cash):	
Property, plant and equipment	95
Debtors	349
Prepayments	205
Trade and other payables	(54)
Accruals	(254)
Tax liabilities including VAT	(928)
Attributable goodwill	6,484
Other intangibles arising on consolidation	2,503
Net assets disposed of	8,400
Costs of disposal	306
Pre-tax gain on disposal of discontinued operation	17,720
Related tax credit	425
Gain on disposal of discontinued operation	18,145

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

Notes to the consolidated financial statements continued

27. Financial commitments

There are no other financial commitments.

28. Retirement benefit plans

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

29. Related party transactions

Directors:

G Wicks

A Weston

J Williams

M Rowland

O Scott

For remuneration of Directors please see note 4 and the more detailed disclosures in the Remuneration Committee Report on page 36.

Dividends paid to Directors are as follows:

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

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

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

30. Contingent liabilities

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

31. Ultimate controlling party

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

32. Events after the Balance Sheet date

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

33. Dividends paid

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

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

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

Parent Company balance sheet

as at 31 March 2021

	Notes	2021 £000's	2020 £000's
Assets			
Non-current assets			
Investments	2	**6,818**	17,604
Non-current receivables	3	**–**	30
Deferred Tax Asset		**37**	–
		6,855	17,634
Current assets			
Trade and other receivables	3	**650**	514
Cash and cash equivalents		**23,141**	50
		23,791	564
Total assets		**30,646**	18,198
Equity and liabilities			
Capital and reserves attributable to the Group's equity shareholders			
Share capital	6	**259**	259
Share premium		**4,609**	4,609
Capital redemption reserve		**113**	113
Share-based payment reserve		**394**	427
Total retained earnings		**24,440**	6,714
Total equity		**29,815**	12,122
Non-current liabilities			
Borrowings	5	**–**	750
		–	750
Current liabilities			
Trade and other payables	4	**831**	326
Borrowings	5	**–**	5,000
		831	5,326
Total liabilities		**831**	6,076
Total equity and liabilities		**30,646**	18,198

The Company has taken the exemption under section 408 of the Companies Act 2006 from presenting its own income statement. The Company has taken the exemption under section 408 of the Companies Act 2006 from presenting its own income statement. The Parent Company made a profit of £17,716,000 (2020 profit: £3,778,000) for the year.

The financial statements were approved by the Board of Directors on 9 July and were signed on its behalf by:

Jesper With-Fogstrup

Chief Executive Officer

ULS Technology plc

Company number: 07466574

Parent Company statement of changes in equity

for the years ended 31 March 2021

	Share capital £000's	Share premium £000's	Capital redemption reserve £000's	Share–based payments reserve £000's	Retained earnings £000's	Total Equity £000's
Balance at 1 April 2019	259	4,585	113	293	4,508	9,758
Profit for the year	–	–	–	–	3,778	3,778
Total comprehensive income	–	–	–	–	3,778	3,778
Share issue	–	24	–	–	–	24
Share–based payments	–	–	–	143	–	143
Exercise of options	–	–	–	(9)	9	–
Payment of dividends	–	–	–	–	(1,581)	(1,581)
Total transactions with owners	–	24	–	134	(1,572)	(1,414)
Balance at 31 March 2020	259	4,609	113	427	6,714	12,122
Balance at 1 April 2020	**259**	**4,609**	**113**	**427**	**6,714**	**12,122**
Profit for the year	**–**	**–**	**–**	**–**	**17,716**	**17,716**
Total comprehensive income	**–**	**–**	**–**	**–**	**17,716**	**17,716**
Share–based payments	**–**	**–**	**–**	**(23)**	**–**	**(23)**
Exercise of options	**–**	**–**	**–**	**(10)**	**10**	**–**
Total transactions with owners	**–**	**–**	**–**	**(33)**	**10**	**(23)**
Balance at 31 March 2021	**259**	**4,609**	**113**	**394**	**24,440**	**29,815**

Notes to the Parent Company financial statements

1. Parent Company accounting policies

Basis of Preparation

The annual financial statements of ULS Technology plc (the Parent Company financial statements) have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ('FRS 100') and Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with the Company's wholly owned subsidiaries.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's Consolidated Financial Statements. These financial statements do not include certain disclosures in respect of:

- share-based payments;
- revenue from contracts with customers;
- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value); and
- fair value measurement other than certain disclosures required as a result of recording financial instruments at fair value).

As permitted by section 408 of Companies Act 2006, a separate Income Statement for the Company has not been included in these financial statements.

The principal accounting policies adopted in the preparation of the financial statements as set out below have been consistently applied to all periods presented.

Financial instruments

Recognition and derecognition

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

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

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

Classification and initial measurement of financial assets

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

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

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

Notes to the Parent Company financial statements continued

1. Parent Company accounting policies continued

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

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

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Impairment of financial assets

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

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

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

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

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

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

Trade and other receivables and contract assets

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

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 21 for further details.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and contingent consideration.

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

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

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

Investments

Investments in subsidiaries are shown within the parent undertaking's financial statements at cost, less any provision for impairment in value. Investments in associates are accounted for at cost less impairment in the individual financial statements.

Current taxation

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

Deferred taxation

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

Deferred tax liabilities are provided in full.

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

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

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

Employment benefits

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

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

Equity and reserves

Equity and reserves comprise the following:

- 'share capital' represents amounts subscribed for shares at nominal value;
- 'share premium' represents amounts subscribed for share capital, net of issue costs, in excess of nominal value;
- 'capital redemption reserve' represents the nominal value of re-purchased and cancelled share capital;
- 'share based payment reserve' represents the accumulated value of share-based payments expensed in the profit and loss less charge in relation to exercised options; and
- 'retained earnings' represents the accumulated profits and losses attributable to equity shareholders.

Notes to the Parent Company financial statements continued

1. Parent Company accounting policies continued

Share-based employee remuneration

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

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

All share-based remuneration is ultimately recognised as an expense in profit and loss with a corresponding credit to retained earnings. The expense is allocated over the vesting period. Other than the requirement to be an employee at the point of exercise there are no other vesting requirements and all share options are expected to become exercisable. Subsequent revisions to this give rise to an adjustment to cumulative share-based compensation which is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period. Where employees of the Company's subsidiaries are granted options over the Company's shares the share based payment expenses is recognised as an increase in the carrying amount of the investment in the relevant subsidiary.

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

Employee benefit trust

The Company has made loans to the Employee Benefit Trust used to facilitate its share-based payment schemes. The loans are included within other debtors and an impairment charge is recognised if the market value of the underlying shares falls below the carrying amount of the debtor.

Contingent liabilities

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

Judgements

Investment in Group Undertakings

The holding value of Legal-Eye Limited has been previously impaired. The Board conducted a review and judged that the holding should be further impaired by £206,000 in the current reporting period. Please also refer the Group's principal accounting policies note looking at judgements and CGUs and for discount rates used.

2. Investments

The Company directly holds the issued share capital of the following companies:

Company name	Principal activity	Class of shares	Place of incorporation and operation	% ownership held by the Company 2021	% ownership held by the Company 2020
United Legal Services Limited	Development and hosting of internet based software applications for legal services businesses	Ordinary	UK	**100**	100
United Homes Services Limited	Development and hosting of internet based software applications for property services businesses	Ordinary	UK	**100**	100
Legal-Eye Limited	Compliance consultancy services for solicitors	Ordinary	UK	**100**	100
Conveyancing Alliance (Holdings) Limited	Intermediary non-trading holding company	Ordinary	UK	**–**	100
Conveyancing Alliance Limited	Development and hosting of internet based software applications for legal services businesses	Ordinary	UK	**–**	100
Home Owners Alliance Limited	Operation of website for home owners and prospective home owners	Ordinary	UK	**35**	35
Financial Eye Limited	Financial compliance consultancy services for solicitors	Ordinary	UK	**15**	15

Home Owners Alliance Limited is considered to be an associate company and is accounted for accordingly. The registered offices of the subsidiaries and associate are disclosed in notes 10 and 13 to the Group financial statements.

	Investments in Group undertakings £000's	Investments in associates £000's	Loans to associates £000's	Total £000's
Cost				
As at 1 April 2019	16,701	575	200	17,476
Loan movement	–	–	50	50
Share-based payment reserve	78	–	–	78
As at 31 March 2020	16,779	575	250	17,604
Loan movement	–	–	(50)	(50)
Share-based payment reserve	23	–	–	23
Impairment	(206)	–	–	(206)
Sale of subsidiary	(10,553)	–	–	(10,553)
As at 31 March 2021	**6,043**	**575**	**200**	**6,818**

3. Receivables

Current receivables:	2021 £000's	2020 £000's
Amounts owed by Group undertakings	**278**	267
Other debtors	**297**	130
Prepayments	**75**	117
	650	514

During the year, other debtors relating to a loan to the EBT had an impairment partially reversed by £123,000.

Non-current receivables:	2021 £000's	2020 £000's
Prepayments	**–**	30

4. Trade and other payables

	2021 £000's	2020 £000's
Trade payables	**25**	33
Amounts owed to Group undertakings	**711**	219
Social security and other taxes	**16**	35
Accruals	**79**	39
	831	326

5. Borrowings

Current liabilities:	2021 £000's	2020 £000's
Bank loans	**–**	5,000

Non-current liabilities:	2021 £000's	2020 £000's
Bank loans	**–**	750

Notes to the Parent Company financial statements continued

6. Share capital

Allotted, issued and fully paid

The Company has one class of ordinary share which carries no right to fixed income nor has any preferences or restrictions attached.

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

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

Current receivables:	2021 Number	2020 Number
Shares issued and fully paid		
Beginning of the year	**64,871,276**	64,828,057
New shares issue	–	43,219
Shares issued and fully paid	**64,871,276**	64,871,276

No new shares were issued during the year.

Allotments during the year

Year ended March 2021	Number	Par value £000's
Share issue	–	–

Year ended March 2020	Number	Par value £000's
Share issue	43,219	–

Ordinary share options:

The Company operates a share option scheme to which the Executive Directors and employees of the Group may be invited to participate by the remuneration committee. Disclosures relating to the Company's share options are detailed in note 19 to the Group financial statements, there being no difference between the Company and Group disclosures.

7. Related party transactions

Related party transactions with third parties other than the Company's subsidiaries are disclosed in note 29 to the Consolidated Financial Statements.

8. Post Balance Sheet events

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

9. Dividends paid

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

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

Company information

Directors

Martin Rowland – Non-Executive Chairman
Jesper With-Fogstrup – Chief Executive Officer
John Williams – Chief Financial Officer
Elaine Bucknor – Independent Non-Executive Director
Oliver Scott – Non-Executive Director

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