
BOARD INTELLIGENCE LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THURSDAY



AAE4AGUZ

A09

30/09/2021

#404

COMPANIES HOUSE

BOARD INTELLIGENCE LTD

COMPANY INFORMATION

Directors	P C Begg C N Day (appointed 1 July 2021) A G D B Harris J J Klahr J P Sundberg J R B Sundberg
Company secretary	E N C Priestley
Registered number	04529306
Registered office	24 Cornhill London EC3V 3ND
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 25 Moorgate London EC2R 6AY

BOARD INTELLIGENCE LTD

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 10
Statement of Comprehensive Income	11
Balance Sheet	12 - 13
Statement of Changes in Equity	14
Statement of Cash Flows	15 - 16
Analysis of Net Debt	17
Notes to the Financial Statements	18 - 35

BOARD INTELLIGENCE LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the Strategic Report for Board Intelligence Ltd ("the Company") for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is the provision of Software as a Service (SaaS) products that drive board effectiveness for decision makers and directors within both the private and public sectors.

The core SaaS products include a board portal for simple, secure access to board packs and a report writing product to enable customers looking to transform their board conversation with high-impact agendas and papers.

Business review

During a globally challenging 2020, the Company continued to demonstrate the strength and resilience of our people and products. This resulted in significant increases in revenues and customer numbers for the year. At the start of the COVID-19 pandemic we responded swiftly, reorganising our employee base to work fully remotely to protect the health and well-being of our people while continuing to provide the same level of unparalleled support to our customers.

We are pleased to report our results for the year ended 31 December 2020 are set out in the Statement of Comprehensive Income on page 11. Total revenue increased by 25.5% from £7.33m in 2019 to £9.21m in 2020.

Total administrative costs increased by 13.1% from £8.77m in 2019 to £9.92m in 2020. This was primarily driven by an increase in employee headcount as the Company scaled to meet increased customer demand. Net losses narrowed from £(1.44m) in 2019 to £(0.52m) in 2020.

The cash position increased from £6.50m at 31 December 2019 to £15.16m at 31 December 2020. The increase in cash was predominantly related to the completion of a round of fund raising in August 2020 led by Susquehanna Growth Equity LLC.

During the 2020 financial year the Company repaid the remaining loan and as at 31 December 2020 did not have any long-term debt (2019 - £0.25m).

For the year ended 31 December 2020 the average number of employees in Board Intelligence Ltd was 86 employees compared to 67 employees in 2019. Like many other companies we paused hiring early in the financial year to monitor the evolving threat caused by COVID-19 on our market; however, we were able to return to hiring in Q4-2020. Our people are our key asset and central to everything we do. We have a strong cultural framework and we have sought to evolve and retain the key elements of this throughout a year heavily impacted by COVID-19 by providing increased support and communication as we rapidly adapted to an enforced remote working model.

BOARD INTELLIGENCE LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The Company sees risk management as integral to the success of the business. As a provider of SaaS products we are exposed to a number of potential risks that may have a material impact on reputation, financial and operational performance which we seek to identify and mitigate where possible.

The Company manages the following risks on an ongoing basis:

Business risks

Product differentiation

The market for software specifically designed for boards of directors and key decision makers is continuously evolving with new entrants and updated offerings from incumbent providers as well as more generalist software that some customers adapt for these needs. Board Intelligence software is differentiated by its usability and its ability to transform board conversations by changing the way that management briefs their board. If the Company does not maintain that differentiation that may result in financial risks. To mitigate this we have dedicated product teams who develop, test and review product roadmaps and alignment to market requirements. We invest in significant research and development through our own in-house teams to develop new products and features.

Product availability

The principal activities of the Company relate to the provision of SaaS products for key decision makers and directors. Our product availability depends on complex, interconnected technology systems and an outage for a material time period could result in reputational and operational risks. To mitigate this our internal processes are designed incorporating industry best practice and we use a small group of trusted third-party sub-processors who have reliability and security at their core.

Financial risks

Credit risk

The Company sells SaaS products in the business-to-business market (B2B) and as part of our commercial model we provide business customers with credit terms. This risk is mitigated through a diverse customer base, strong customer relationships and our dedicated accounts receivable team who review credit risk monthly and employ credit control practices if the need arises.

Liquidity risk

The Company manages cash flow risk by maintaining and reviewing cash flow forecasts on a regular basis. The company has not required cash investment in prior years although our recent fund-raising activities allows us to invest for growth more quickly. This additional cash significantly mitigates liquidity risk.

Foreign exchange risk

The Company is exposed to foreign exchange risk in relation to the significant foreign currency cash balances held. In general, the Company has limited transactions in foreign currencies and mitigates this risk as far as possible by utilising funds which match the required currency.

Operational risks

Significant data breach

A significant data breach of our core customer systems would open the business to material reputational and financial risks. A data breach could result in a breach of data protection legislation resulting in certain legal risks. To mitigate these risks our internal processes are designed incorporating industry best practice. We have dedicated teams responsible for cyber security who utilise third party experts to provide a comprehensive review of our cyber security position on a regular basis.

BOARD INTELLIGENCE LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Recruitment and retention of key employees

The Company has a strong cultural framework and has historically been able to attract and retain outstanding talent. Remuneration packages include medium- and long-term incentives to aide us in aligning business goals and targets with personal success. As we continue to grow, we will resume the building of a strong talent acquisition team to help attract top talent within a competitive market.

COVID-19

The COVID-19 pandemic has been a feature of 2020 and 2021. The impact of COVID-19 on our business operations has been challenging but overall, we have seen a positive impact on our performance and results. As a provider of SaaS technology which enables customers to support remote board meetings as well as enabling customers to save time and costs through efficiency gains, we have found increased demand for our services and expect this to continue.

We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

During the 2020 financial year we completed a fund raise led by Susquehanna Growth Equity Partners, providing the business with additional cash to invest in growth. The Company does not have any debt obligations, excluding financing on new assets, that require repayment in the coming year. The Company continues to grow through new customer acquisition and growth of existing customer accounts and management anticipates that this will continue in the foreseeable future. The directors have therefore assessed the going concern status of the Company and concluded that this basis of preparation is appropriate.

Financial key performance indicators

The Company's key financial performance indicators during the year were as follows:

	2020	2019
	£	£
Total revenue	9,205,966	7,332,537
Recurring revenue	8,870,772	6,656,897
Net profit/(loss)	(521,038)	(1,441,004)
Cash and cash equivalents	15,160,226	6,502,785

Recurring revenue is revenue relating to long-term SaaS subscriptions, excluding one-off consulting or other non-recurring revenue.

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

Jennifer Sundberg

Jennifer Sundberg (Sep 29, 2021 17:39 GMT+1)

J R B Sundberg

Director

Date: 29/09/2021

BOARD INTELLIGENCE LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £521,038 (2019 - £1,441,004).

No dividends were paid or proposed during the year (2019 - £Nil).

Directors

The directors who served during the year were:

P C Begg
A G D B Harris
J J Klahr (appointed 17 August 2020)
J P Sundberg
J R B Sundberg

Future developments

The Company will continue to invest in research and development activities and invest in developing the markets where seek to compete. The directors foresee no material change in the nature of the Companies activities at this stage.

Research and development

The directors regard the investment in research and development an integral part of the long-term strategy for the Company. The investment in research and development includes the development of new SaaS products as well as new features for the suite of existing products, both are important to ensure the Company is positioned as a strong player in a competitive market and the continuing success of the business.

During 2020 many new features were released on existing products as well as continued improvements in infrastructure and security in line with market best practice.

Disclosure of information to auditor

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Nexia Smith & Williamson, was appointed in the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

BOARD INTELLIGENCE LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Jennifer Sundberg

Jennifer Sundberg (Sep 29, 2021 17:39 GMT+1)

J R B Sundberg
Director

Date: 29/09/2021

BOARD INTELLIGENCE LTD

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors are responsible for preparing the Strategic Report, the 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOARD INTELLIGENCE LTD

Opinion

We have audited the financial statements of Board Intelligence Ltd (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, the Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

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 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.

BOARD INTELLIGENCE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOARD INTELLIGENCE LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BOARD INTELLIGENCE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOARD INTELLIGENCE LTD (CONTINUED)

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.

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:

We obtained an understanding of the Company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We understand that the Company complies with the framework through:

- Maintaining clear policies;
- Close oversight by the directors and key management, meaning that any litigation or claims would come to their attention directly; and
- Engaging external experts as required, including assistance with payroll, tax compliance and statutory accounts preparation.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements and which are central to the Company's ability to conduct its business and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements; and
- Data protection and information security regulations.

We performed the following procedures to gain evidence about compliance with the significant laws and regulations identified above:

- We made enquiries of management and reviewed board meeting minutes.
- We obtained written management representations that they have disclosed to us all known instances of noncompliance or suspected non-compliance with laws and regulations and accounted for and disclosed all known actual or possible litigation and claims in the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key area identified in this discussion was the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

The procedures we carried out to gain evidence in the above area included:

- Testing journal entries, selected based on specific risk assessments applied based on the Company's processes and controls surrounding manual journals.
- Testing of revenue transactions to underlying documentation.

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.

Other matter

The financial statements of Board Intelligence Ltd for the year ended 31 December 2019 were unaudited.

BOARD INTELLIGENCE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOARD INTELLIGENCE LTD (CONTINUED)

Use of our report

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

Timothy Adams

Timothy Adams (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

25 Moorgate
London

EC2R 6AY

Date: 29/09/2021

1

BOARD INTELLIGENCE LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
Turnover	4	9,205,966	7,332,537
Gross profit		9,205,966	7,332,537
Administrative expenses		(9,919,982)	(8,767,564)
Other operating income	5	92,304	-
Operating loss	6	(621,712)	(1,435,027)
Interest receivable and similar income	10	6,039	18,525
Interest payable and similar expenses	11	(4,479)	(13,126)
Loss before tax		(620,152)	(1,429,628)
Tax on loss	12	99,114	(11,376)
Loss for the financial year		(521,038)	(1,441,004)

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 18 to 35 form part of these financial statements.

BOARD INTELLIGENCE LTD
REGISTERED NUMBER:04529306

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	<i>As restated</i> 2019 £
Fixed assets			
Tangible assets	13	532,031	606,551
Investments	14	10	10
		<u>532,041</u>	<u>606,561</u>
Current assets			
Debtors	15	2,054,446	1,552,963
Cash at bank and in hand		15,160,226	6,502,785
		<u>17,214,672</u>	<u>8,055,748</u>
Creditors: amounts falling due within one year	16	(5,330,231)	(3,952,025)
Net current assets		<u>11,884,441</u>	<u>4,103,723</u>
Total assets less current liabilities		<u>12,416,482</u>	<u>4,710,284</u>
Creditors: amounts falling due after more than one year	17	(17,116)	(250,000)
Provisions for liabilities			
Deferred tax	19	(66,591)	(74,724)
Other provisions	20	(113,643)	(113,643)
		<u>(180,234)</u>	<u>(188,367)</u>
Net assets		<u>12,219,132</u>	<u>4,271,917</u>
Capital and reserves			
Called up share capital	21	16,788	13,470
Share premium account	22	13,712,976	5,248,041
Profit and loss account	22	(1,510,632)	(989,594)
Shareholders' funds		<u>12,219,132</u>	<u>4,271,917</u>

BOARD INTELLIGENCE LTD
REGISTERED NUMBER:04529306

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

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

Jennifer Sundberg

Jennifer Sundberg (Sep 29, 2021 17:39 GMT+1)

J R B Sundberg
Director

Date: 29/09/2021

The notes on pages 18 to 35 form part of these financial statements.

BOARD INTELLIGENCE LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019 (as previously stated)	13,470	5,248,041	1,111,061	6,372,572
Restatement due to change in accounting policy	-	-	(659,651)	(659,651)
At 1 January 2019 (as restated)	13,470	5,248,041	451,410	5,712,921
Comprehensive income for the year				
Loss for the year (as restated)	-	-	(1,441,004)	(1,441,004)
At 1 January 2020 (as restated)	13,470	5,248,041	(989,594)	4,271,917
Comprehensive income for the year				
Loss for the year	-	-	(521,038)	(521,038)
Contributions by and distributions to owners				
Shares issued during the year	3,318	8,464,935	-	8,468,253
At 31 December 2020	16,788	13,712,976	(1,510,632)	12,219,132

BOARD INTELLIGENCE LTD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(521,038)	(1,441,004)
Adjustments for:		
Depreciation of tangible assets	155,848	151,455
Loss on disposal of tangible assets	303	-
Interest paid	4,479	13,126
Interest received	(6,039)	(18,525)
Taxation charge	(99,114)	11,376
(Increase)/decrease in debtors	(410,502)	65,784
Increase in creditors	1,363,736	1,506,577
Corporation tax received/(paid)	-	(1,761)
Increase in provisions	-	113,643
Net cash generated from operating activities	487,673	400,671
Cash flows from investing activities		
Purchase of tangible fixed assets	(50,502)	(352,916)
Sale of tangible fixed assets	457	-
Interest received	6,039	18,525
Net cash used in investing activities	(44,006)	(334,391)

BOARD INTELLIGENCE LTD

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from financing activities		
Issue of ordinary shares	8,468,253	-
Repayment of loans	(250,000)	-
Interest paid	(4,479)	(13,126)
Net cash generated from/(used in) financing activities	<u>8,213,774</u>	<u>(13,126)</u>
Net increase in cash and cash equivalents	<u>8,657,441</u>	<u>53,154</u>
Cash and cash equivalents at beginning of year	6,502,785	6,449,631
Cash and cash equivalents at the end of year	<u><u>15,160,226</u></u>	<u><u>6,502,785</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	15,160,226	6,502,785
	<u><u>15,160,226</u></u>	<u><u>6,502,785</u></u>

BOARD INTELLIGENCE LTD

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	New finance leases £	At 31 December 2020 £
Cash at bank and in hand	6,502,785	8,657,441	-	15,160,226
Loans after 1 year	(250,000)	250,000	-	-
Finance leases within 1 year	-	-	(14,470)	(14,470)
Finance lease after 1 year	-	-	(17,116)	(17,116)

BOARD INTELLIGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Board Intelligence Ltd is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 04529306). The registered office address is 24 Cornhill, London, EC3V 3ND.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements for the prior period have been restated to reflect the impact of a change in accounting policy in accordance with FRS102.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements under section 402 of the Companies Act 2006 as all of its subsidiary undertakings can be excluded under section 405 of the Companies Act 2006.

2.3 Going concern

The Company has net assets of £12,219,132 (2019: £4,271,917) and made a loss during the year of £521,038 (2019: £1,441,004). The directors have prepared a mid-term budget covering a period of at least 12 months, which shows that the Company has resources available to continue in business for the foreseeable future.

During 2020, the Company completed a fundraise with Susquehanna Growth Equity Partners, providing the business with additional cash to invest in growth. At 31 December 2020, the Company had an available cash balance of £15,160,226 (2019: £6,502,785). The Company does not have any debt obligations beyond the normal course of business that require repayment in the coming year. The Company continues to grow through new customer acquisition and growth of existing customer accounts, and management anticipates that this will continue in the foreseeable future.

The impact of COVID-19 on the business's operations has been challenging but on the whole, the Company has seen a positive impact on its performance and results, both during 2020 and so far in 2021. As a provider of Software as a Service (SaaS) technology, the Company has experienced increased demand for its services and this is expected to continue for the foreseeable future. The Company will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue its operations in the best and safest way possible without jeopardising the health of its people.

On the basis of the above, the directors consider it appropriate to apply the going concern basis of accounting and expect the Company to be able to continue in operation for the foreseeable future, being a period of at least twelve months from the date of signing of these financial statements.

BOARD INTELLIGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services under licence agreements is recognised in the period in which the services are provided in accordance with the contracted licence term when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the licence term (as stipulated by 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.

Where payments are received from customers in advance of the services being provided, these payments are accounted for as deferred income and included within creditors due within one year.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Government grants

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.8 Research and development

Research and development expenditure is written off to profit or loss in the year in which it is incurred. The research and development expense incurred during the year ended 31 December 2020 was £136,974 (2019: £530,888).

Change in accounting policy

During the year, the Company implemented a change in accounting policy in relation to internally generated intangible fixed assets. Historically, development expenditure was capitalised once relevant criteria were met and amortised over their useful life. As a result of the change in accounting policy, these costs are no longer capitalised and are instead expensed through profit or loss in the year in which they are incurred. This provides reliable and more relevant information as it will better reflect the cost base of the Company given that a number of products have been in development for a number of years, which leads to a significant unamortised intangible asset balance which is not reflective of costs being incurred by the Company and makes it more difficult for users of the financial statements to understand the underlying costs of the Company.

In line with the requirements of FRS 102, this change has been accounted for retrospectively. The impact of this change in the year ended 31 December 2020 is to decrease the net book value of intangible assets by £664,247 and reduce the loss for the year by £179,948. The impact of this change in the year ended 31 December 2019 is to reduce the opening retained earnings by £659,651, reduce the intangible assets balance by £844,195 and increase the loss for the year by £184,544.

2.9 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Land and buildings	- over the lease term
Fixtures, fittings and equipment	- 25% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

BOARD INTELLIGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Financial instruments

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

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

BOARD INTELLIGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.15 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Recoverability of trade debtors

The directors assess trade debtors for recoverability on a regular basis and provide for balances which are significantly overdue where there is sufficient doubt over their recoverability. The bad debt expense recognised during the year is shown in note 6. At the year end, a provision of £359,280 (2019 - £15,475) is included within trade debtors.

4. Turnover

The whole of the turnover is attributable to the rendering of services.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	8,420,138	6,603,685
Rest of Europe	499,131	478,781
Rest of the world	286,697	250,071
	<u>9,205,966</u>	<u>7,332,537</u>

5. Other operating income

	2020 £	2019 £
Other operating income	12,134	-
Coronavirus job retention scheme income	80,170	-
	<u>92,304</u>	<u>-</u>

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Loss on disposal of tangible fixed assets	303	-
Foreign exchange loss	386,063	3,292
Operating lease rentals	231,462	230,964
Bad debt expense	345,965	14,406
	<u>345,965</u>	<u>14,406</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	26,950	-
	<u>26,950</u>	<u>-</u>

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	3,175	-
All other services	3,150	-
	<u>6,325</u>	<u>-</u>

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Employees

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

	2020 £	2019 £
Wages and salaries	6,378,564	5,295,794
Social security costs	659,256	618,477
Cost of defined contribution scheme	223,898	148,369
	<u>7,261,718</u>	<u>6,062,640</u>

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

	2020 No.	2019 No.
Sales & marketing	31	16
Customer support & delivery	17	22
Product development	20	14
General & admin	18	15
	<u>86</u>	<u>67</u>

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	378,867	377,869
Company contributions to defined contribution pension schemes	21,296	19,148
	<u>400,163</u>	<u>397,017</u>

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £135,000 (2019 - £177,500).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,933 (2019 - £4,909).

During the year 1 director exercised share options (2019 - Nil).

BOARD INTELLIGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Interest receivable and similar income

	2020 £	2019 £
Bank interest receivable	<u>6,039</u>	<u>18,525</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	<u>4,479</u>	<u>13,126</u>

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Taxation

	2020 £	2019 £
Corporation tax		
Adjustments in respect of previous periods	(90,981)	-
Deferred tax		
Origination and reversal of timing differences	(8,133)	11,376
Taxation on loss	(99,114)	11,376

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss before tax	(620,152)	(1,429,628)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(117,829)	(271,629)
Effects of:		
Expenses not deductible for tax purposes	4,802	79,806
Deferred tax not recognised	104,894	203,199
Adjustments to tax charge in respect of prior periods	(90,981)	-
Total tax (credit)/charge for the year	(99,114)	11,376

Factors that may affect future tax charges

Finance Bill 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. These changes are not included above as Finance Bill 2021 was not substantively enacted by the year end.

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets

	Land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2020	113,643	758,274	871,917
Additions	-	82,088	82,088
Disposals	-	(848)	(848)
At 31 December 2020	<u>113,643</u>	<u>839,514</u>	<u>953,157</u>
Depreciation			
At 1 January 2020	11,364	254,002	265,366
Charge for the year	11,364	144,484	155,848
Disposals	-	(88)	(88)
At 31 December 2020	<u>22,728</u>	<u>398,398</u>	<u>421,126</u>
Net book value			
At 31 December 2020	<u>90,915</u>	<u>441,116</u>	<u>532,031</u>
At 31 December 2019	<u>102,279</u>	<u>504,272</u>	<u>606,551</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Fixtures, fittings and equipment	<u>28,555</u>	<u>-</u>

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2020	10
At 31 December 2020	<u>10</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Board Intelligence (HK) Limited	Suite 1106-8, 11/F, Tai Yau Building, No.181 Johnston Road, Wanchai, Hong Kong	Ordinary	100%

As stated in note 2.2, consolidated financial statements have not been prepared to include the subsidiary undertaking as its inclusion is not material for the purpose of giving a true and fair view, in line with Section 405 of the Companies Act.

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Board Intelligence (HK) Limited	49,125	11,393

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	152,646	152,646
	152,646	152,646
Due within one year		
Trade debtors	1,561,915	1,261,653
Amounts owed by group undertakings	-	66
Other debtors	3,939	22,747
Prepayments and accrued income	244,965	115,851
Research & development tax credit	90,981	-
	2,054,446	1,552,963

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	129,042	133,449
Amounts owed to group undertakings	17	-
Corporation tax	176	176
Other taxation and social security	1,077,189	445,669
Obligations under finance lease and hire purchase contracts	14,470	-
Other creditors	235,094	702,125
Accruals and deferred income	3,874,243	2,670,606
	5,330,231	3,952,025

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

	2020 £	2019 £
Obligations under finance leases and hire purchase contracts	17,116	-
Other creditors	-	250,000
	17,116	250,000

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	14,470	-
Between 1-5 years	17,116	-
	<u>31,586</u>	<u>-</u>

Finance lease payments represent rentals payable by the Company for certain items of plant and machinery. The lease transfers ownership of the leased assets at the end of the lease term. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19. Deferred taxation

	2020 £	2019 £
At beginning of year	74,724	63,348
Charged to profit or loss	(8,133)	11,376
At end of year	<u>66,591</u>	<u>74,724</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	<u>66,591</u>	<u>74,724</u>

20. Provisions

	Dilapidations £
At 1 January 2020	113,643
At 31 December 2020	<u>113,643</u>

The dilapidations provision has been recognised for repair works upon expiry of the property lease held by the Company.

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
905,137 (2019 - 13,470 of £1.00 each) A Ordinary shares of £0.01 each	9,051	13,470
1,000 (2019 - Nil) B Ordinary shares of £0.01 each	10	-
70,000 (2019 - Nil) D Ordinary shares of £0.01 each	700	-
690,927 (2019 - Nil) A Preference shares of £0.01 each	6,909	-
11,777 (2019 - Nil) Deferred shares of £0.01 each	118	-
	<u>16,788</u>	<u>13,470</u>

Shares issued during the year

During the year, a subdivision of shares occurred increasing the number of A ordinary shares to 1,347,000 with nominal value of £0.01 per share. This subdivision did not alter the aggregate nominal value of these shares. The Company then allotted 33,400 A Ordinary shares with an aggregate nominal value of £334. The total consideration received was £36,964. Subsequently, 475,263 A ordinary shares were re-designated as A preference shares.

During the year, the Company allotted 7,090 B Ordinary shares with an aggregate nominal value of £71. The total consideration received was £5,328. Subsequently, 6,090 B ordinary shares were re-designated as A preference shares.

In July 2020, the Company allotted 700 D Ordinary shares with an aggregate nominal value of £7. The total consideration received was £7. Subsequently, a subdivision of shares occurred increasing the number of D Ordinary shares to 70,000 with nominal value of £0.0001 per share. This subdivision did not alter the aggregate nominal value of these shares. In August 2020, the Company allotted 6,930,000 D Ordinary shares with an aggregate nominal value of £693. Subsequently, a consolidation of shares occurred reducing number of D ordinary shares to 70,000 with nominal value of £0.01 per share. This consolidation did not alter the aggregate nominal value of these shares.

During the year, the Company allotted 197,861 A Preference shares with an aggregate nominal value of £1,977. The total consideration received was £8,854,557. Subsequently, 493,246 shares of other classes were re-designated as A preference shares with an aggregate nominal value of £4,932.

During the year, the Company allotted 973,700 C1 shares with an aggregate nominal value of £97. The total consideration received was £1. Subsequently, a consolidation of shares occurred reducing number of C1 ordinary shares to 9,737 with nominal value of £0.0001 per share. This consolidation did not alter the aggregate nominal value of these shares. After consolidation, 5,991 C1 shares were re-designated as A preference shares and 3,746 C1 shares were re-designated as deferred shares.

BOARD INTELLIGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. Share capital (continued)

During the year, the Company allotted 1,141,500 C2 shares with an aggregate nominal value of £114. The total consideration received was £1. Subsequently, a consolidation of shares occurred reducing number of C2 ordinary shares to 11,415 with nominal value of £0.0001 per share. This consolidation did not alter the aggregate nominal value of these shares. After consolidation, 5,302 C2 shares were re-designated as A preference shares and 6,113 C2 shares were re-designated as deferred shares.

During the year, the Company allotted 251,800 C3 shares with an aggregate nominal value of £25. The total consideration received was £0.25. Subsequently, a consolidation of shares occurred reducing number of C3 ordinary shares to 2,518 with nominal value of £0.0001 per share. This consolidation did not alter the aggregate nominal value of these shares. After consolidation, 600 C3 shares were re-designated as A preference shares and 1,918 C3 shares were re-designated as deferred shares.

Rights, preferences and restrictions

The A ordinary shares confer on the holder the right to vote and the right to participate in dividends. The A ordinary shareholders are entitled to participate on a winding up or distribution of capital.

The B ordinary shares do not confer on the holder the right to vote or participate in dividends. The B ordinary shareholders are entitled to participate on a winding up or distribution of capital.

The D ordinary shares confer on the holder the right to vote and participate in dividends. The D ordinary shareholders are entitled to participate in the distribution of any surplus exceeding £30m due on a winding-up or return of capital.

The A preference shares confer on the holder the right to vote and to participate in dividends. The A preference shareholders are entitled to participate with priority on a distribution of capital or winding up. The A preference shares are not redeemable.

The deferred shares do not confer on the holder the right to vote or to participate in dividends. The deferred shareholders are entitled to £1 for the entire class of deferred shares following the settlement of liquidation and capital return rights pertaining to A preference shares.

22. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. Share-based payments

The Company operates an Enterprise Management Incentive (EMI) share option scheme, which is an equity-settled share-based payment arrangement. The options will vest on a qualifying exit event. There are no market-based performance conditions attached to these options.

The fair value of the options at the grant date was determined to be immaterial. Accordingly, no charge for share-based payments has been recognised in the year (2019 - Nil) as the amount is considered immaterial.

A reconciliation of share option movements over the period to 31 December 2020 is shown below:

	Weighted average exercise price (£) 2020	Number 2020	Weighted average exercise price (£) 2019	Number 2019
Outstanding at the beginning of the year	48.01	1,074	71.89	692
Granted during the year	0.00	985	3.01	601
Subdivision of shares	0.25	203,841	-	-
Exercised during the year	(0.32)	(134,160)	-	-
Lapsed during the year	-	-	0.01	(219)
Outstanding at the end of the year	0.13	71,740	48.01	1,074

24. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £223,898 (2019 - £148,369). Contributions totalling £72,897 (2019 - £Nil) were payable to the fund at the reporting date.

BOARD INTELLIGENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

25. Commitments under operating leases

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	254,410	254,410
Later than 1 year and not later than 5 years	954,038	954,038
Later than 5 years	614,824	893,508
	<u>1,823,272</u>	<u>2,101,956</u>

26. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

The aggregate compensation for key management personnel during the year was £1,170,828 (2019 - £857,909).

27. Controlling party

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