St James House plc

Annual report and financial statements

Registered number 04458947

31 January 2020

Company Information

DIRECTORS	K A Cox (Appointed 31 July 2019) J M Leuba (Appointed 3 September 2019, resigned 31 August 2020) R R Matthews (Chairman) (Appointed 31 July 2019) A Rudolf G Paton Lord E T Razzall (Resigned 31 July 2019) A J A Flitcroft (Resigned 1 February 2019) C A McCormick (Resigned 30 November 2019) C M Hyman (Resigned 31 July 2019) D Pym (Appointed 30 September 2020)
COMPANY SECRETARY	A J A Flitcroft
COMPANY NUMBER	04458947
REGISTERED OFFICE	Gainsborough House 59-60 Thames Street Windsor SL4 1TX
NOMINATED ADVISER AND BROKER	Allenby Capital Limited 5 St Helens Place London EC3A 6AB
AUDITOR	MHA MacIntyre Hudson Pennant House 1-2 Napier Court Napier Road Reading RG1 8BW
REGISTRAR	SLC Registrars Limited Elder House St. Georges Business Park Brooklands Road Weybridge Surrey KT13 0TS
PRINCIPAL BANKER	Lloyds TSB Bank PLC 134 High Street Stourbridge West Midlands DY8 1DS

Contents

Chairman's Statement and Strategic Report

The principal activities of St James House plc ('SJH' or the 'Company' or the 'Group') during the year were that of provision of payment processing products and services and lottery administrators and, since the year end, the provision of legal services.

During the year to 31 January 2020 and following the year end a number of organisational and structural changes were made to the business in order to deliver future revenue growth which are set out below together with a detailed financial review.

On 31 October 2019 the company announced that progress was below projections and that certain remedial measures were taken to improve performance. The Company further announced that, although there were operational improvements in performance, working capital was constrained and the pattern of operational performance improvements continued into 2020 as described in the trading statements.

As can be seen in these financial statements, the financial performance of the business has been significantly adversely affected by the various restructurings required to deliver increased operational performance as well as a number of law suits which has diluted the capacity to achieve SJH's short term goals.

Subsequent to the year end there have been a number of trading statements published following the delisting as a result of the late filing of these accounts which can be found on the Company's website www.sjhplc.com.

Summary and key performance indicators

Financial key performance indicators ("KPIs")

KPIs provide an illustration of management's ability to successfully deliver against SJH's strategic objectives. The Board periodically reviews the KPIs of the Group taking into account its strategic objectives and the challenges facing implementation of such. The KPIs reflect the Group's development-focused strategy, the importance of a positive cash position and its underlying commitment to ensuring safe operations. These KPIs can be categorised into operational and financial. These include, but are not limited to:

- Revenue
- Gross profit
- Normalised EBITDA
- Profit before taxation

SJH's Board review these indicators once a month. Explanations are sought and given for any material variances and management are required to provide plans to resolve any performance failures as they occur during the year.

As the business grows and increases its expenditure on internally generated and externally purchased tangible and intangible assets, resulting in increased depreciation and amortisation, the business has moved to measuring performance using Normalised EBITDA as it provides a better measurement of underlying operational performance.

Normalised EBITDA is defined as profit before tax, net finance costs, depreciation and amortisation as adjusted for any exceptional or non-recurring items.

Chairman's Statement and Strategic Report (continued)

Financial summary

In summary, for the year to 31 January 2020 the Group performance was as follows:

Key performance Indicators	**2020 £'000**	2019 £'000 (restated)
Revenue	**989**	938
Gross profit	**327**	686
Loss before tax	**(4,266)**	(393)
Operating loss	**(4,266)**	**(2,806)**
Depreciation	**3**	**4**
Amortisation	**344**	**494**
Exceptional items	**1,844**	**440**
Normalised EBITDA loss	**(2,075)**	**(1,868)**

Payment services

The Payments Division has made significant progress in 2020 and has launched new FX and Multi-Currency accounts. It has also delivered further improvements to its payment card processing service. To build on this the payments division has operated under the single brand of St Daniel House since November 2019 to enhance its presence in this sector.

Payments processing income during the year to 31 January 2020 was £298,000 (2019: £471,000), with the reduction resulting from the time taken to develop the products, services and infrastructure required to deliver a full suite of financial products through Market Access Limited as described below. It recorded a loss of £2,902,000 for the year (2019: £979,000).

Having established Market Access Limited in 2018 the company was able to take advantage of an opportunity to purchase a prepaid card specialist ANother Ops Limited ('AOL') in May 2019 for a nominal amount to further develop the Company's payment services offering.

The acquisition was for 100 percent of the issued share capital of AOL, comprising 350,000 ordinary shares of £1.00 each, of which £210,000 is currently unpaid. The consideration was £5.00. AOL had an existing trading relationship with the Group and had net liabilities to the Group of around £140,000 as at the date of the acquisition (see note 15 for more financial details).

AOL had principally been engaged in product and service development since incorporation in 2017. The Group has successfully integrated card issuing technology to complement the other payment services offered by the Company's existing payment services infrastructure. AOL became part of the Group's Payments Division and it was the intention to utilise the "ANother" brand for the Group's retail payments offering, while the Group's existing Market Access business focussed on the business and institutional markets. Subsequently to this, and as part of the strategy to unify operations within the single business and brand of St Daniel House, the "ANother" brand is no longer used.

Throughout 2020 the payments division has continued to revise and improve its technological capabilities and service offerings but has also suffered from some delays in card activations as clients deferred rollout of card programmes introduced as part of the acquisition described above. It has successfully deployed a complete suite of products including GBP and multi-currency accounts, card issuing and card payment processing as well as foreign exchange and cross border payments.

Chairman's Statement and Strategic Report (continued)

The group has also established new services offered through the entity St Daniel House. This means that the Company now has a full range of card and payment services designed to meet the needs of individuals and businesses. Prepaid card programmes are being rolled out on behalf of clients with and will significantly increase the number of cards in issue in 2021. Each activated card is expected to generate revenue between £3 and £5 per month. Merchants Services has seen some challenges in meeting potential clients due to travel restrictions in the UK however the opportunity was taken to bring about technology improvements including online applications, screening and reviews to reflect the new circumstances of overcome the specific challenges dealing with remote clients and is set for significant growth throughout 2021, both prepaid and merchant services generate foreign exchange business, further supporting the Company's strategy moving forward.

On 28 Feb 2020 the Board disposed of Market Access Ops Limited ("MAO") to MDC Nominees Limited ("MDC") as part of the Group's restructuring strategy at the time. MAO, which was established in early 2018 failed to develop as the Board at the time had hoped, and in particular it became apparent that much of the business was of the "non-conforming" type of customer that was prevalent in the Emex business that had been sold to MDC in July 2018.

The Group has established a new subsidiary, St. Daniel House Ltd, which is approved as an EMD Agent by the Financial Conduct Authority. The Board therefore decided to transfer any conforming business to AOL and St. Daniel House Ltd and sell MAO to MDC for £1.00. The consideration for the purchase of Emex by MDC (see announcement dated 12 July 2018) was a £2m loan note secured on the assets of MDC and to be repaid by a sinking fund from the cashflow generated by those assets; MAO will become part of this structure. The Board took the view that the majority of MAO's business had become a distraction of management time and better fits with MDC's business. While the consideration is nominal, the sale of MAO will have a modest positive impact on both the trading performance and balance sheet of the Group and should also help accelerate progress on repayment under the sinking fund.

Lottery management services

Prize Provision Services Limited ("PPSL") is licensed by the Gambling Commission as an External Lottery Manager ("ELM") to provide administration services to charities, societies, and sports clubs in Great Britain. It administers all aspects required to run a lottery including draws, prizes, player accounts, financial and data management and related regulatory and administrative tasks. PPSL provides services to over 770 societies ranging from local grass-roots sports teams to large national membership organisations.

PPSL enjoyed a positive year with growth of existing activities, the addition of well-known clients and product launches. A new scratch card product was launched in Q1 2019 with Bolton based charity Families and Babies the first client. Lincoln City F.C.'s academy launched the Imps Lottery to raise money for the club's academy in Q1 2019 and Unite the Union's Unite2Win lottery grew quickly during the year.

The Imps Lottery and Unite2Win were the first examples of client branded lotteries which PPSL hopes to grow alongside its Weather Lottery and Sports Club Lottery umbrella brands.

Once again lottery fundraising has proven itself to be one of the most reliable and robust forms of fundraising, a fact which will be utilised as PPSL focusses on client and player acquisition over the coming year.

In summary the Lottery Management business saw revenue rise from £467,000 to £691,000 and a loss of £1,000 for the year ended 31 Jan 2020 (2019: Loss of £56,000).

On 8 March 2019, the Board of Directors of St James House plc announced it had agreed terms, subject to contract, to establish a new lottery joint venture in Malta. The Company's partner in this joint venture is ZeU Crypto Networks Limited ("ZeU"), a wholly owned subsidiary of St-Georges Eco-Mining Corp. of Montreal, Canada ("SGEM"), whose shares are quoted on the Canadian Securities Exchange (The "Lottery JV"). There has been no further activity with this business segment to date because of operational delays outside of the Company's control. Further details are included in note 29 (Related Party transactions).

Chairman's Statement and Strategic Report (continued)

Legal services

The development of the legal claims business in Liverpool which commenced in July 2020 has developed apace with investment in increasing numbers of cases on a monthly basis. It is expected that the case load which is still largely personal injury claims based will broaden to include the more complex and higher profit yielding sectors, for example, mis-sold mortgages and breach of GDPR claims. It is anticipated the performance will meet the projections in the coming year.

Group and head office

Unallocated central costs comprised £1,381,000 (Year to Jan 2019: £1,774,000). The reduction is a result of cost reductions made during the year, such as relocating the registered and head office to Gainsborough House, Thames Street, Windsor, significantly reducing office costs,

Board changes

With effect from 1 February 2019, Andrew Flitcroft stepped down from the Board but continues in the role of Company Secretary for the Group.

Clive Hyman (Non-Executive Director) and Tim Razzall (Executive Chairman) did not seek re-election at the Annual General Meeting for the year to 31 January 2019, which was held on 31 July 2019.

On the 31st July 2019 the Company welcomed Roger Matthews and Kathy Cox to the Board.

On 4th September 2019 Jacques Leuba joined the Board but subsequently resigned on 28th August 2020.

In November 2019 Cath McCormick, Finance Director, left the company to take up a new senior position in the Third Sector.

On 30 September 2020 Daniel Pym joined the Board as Finance Director.

Funding

Issue of equity, share restructure and changes in options during the year

On 14 February 2019 (admitted to trade on AIM with effect from 21 February 2019) new shares totalling 200,000,230 Ordinary Shares of 0.1p each were issued (the "Fee Shares") in settlement of amounts owed. Full details are included on note 29 (Related parties).

On 15th February 2019 the Board proposed to shareholders a sub-division of each share and a subsequent consolidation at a ratio of 1:1000 which was approved by the Board on 4 March 2019. Each Ordinary Share of the Company was sub-divided into one new ordinary share of 0.001 pence each ("Interim Ordinary Shares") and one deferred share of 0.099 pence each ("Deferred Shares"), followed by a consolidation of every 1,000 Interim Ordinary Shares into one consolidated new ordinary share of 1 pence each ("New Ordinary Shares"). Therefore, the existing 3,115,830,000 Ordinary Shares became 3,115,830 New Ordinary Shares and 3,115,830,000 Deferred Shares (the "Restructuring"). Fractional entitlements arising from the Restructuring were aggregated and sold in the market for the benefit of the Company.

The outstanding options over 60,000,000 Ordinary Shares exercisable at 0.1 pence per Ordinary Share (as announced 24 April 2018), all held by Board members, will be adjusted for the Restructuring to become options over 60,000 New Ordinary Shares, exercisable at 100 pence per share. The life of the options remains unchanged at 5 years from 23 April 2018.

During the year 20,000,000 share options, which had been granted to each of Clive Hyman and Cath McCormick at an exercise price of 0.1 pence per share, lapsed following the expiry of 12 months after those option holders ceased to be employees of any constituent company of the Group.

Chairman's Statement and Strategic Report (continued)

Post balance sheet events

On 31 January 2020 the Company announced that it had entered into a binding agreement for the subscription for 1,666,667 ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") at a price of 30 pence per Ordinary Share (the "Transaction Price") to raise a total of £500,000 (the "Subscription"). The Subscription was to be made by Auxilum Investere SJ Ltd, a UK company controlled by Michael and Linda Peters ("AIS") that had been established for this purpose. At the same time the Company confirmed its intention to settle £237,500 of outstanding liabilities through an issue of a further 791,667 Ordinary Shares at the Transaction Price (the "Capitalisation Shares").

On 12 March 2020 the Company issued a statement informing shareholders that payment of cleared funds for the Subscription had been requested but they had not been received. The Company entered into a discussion with Mr Peters, the sole director of AIS, to rectify the situation. Mr Peters had provided personal surety for the monies due and the Company's management was confident that the funds would be received.

In May it became clear that AIS was unlikely to deliver and the company prepared to make alternative arrangements. On 30 June 2020 the company announced that, in order to replace the proposed investment from AIS, it had entered into an agreement with a number of individuals including existing shareholders to enter into an unsecured convertible loan note for a total amount of £415,000 to improve the working capital position of the Company (see note 29 for further details).

Principal risks and uncertainties facing the Group

There are several potential risks and uncertainties that could have a material impact on the Group's long-term performance, and the Group takes a proactive approach to risk management.

Management and employees
The nature of the Group and its business model creates reliance upon retaining and incentivising its senior management and certain key employees, whose expertise will be important to the performance of the Group going forward. The Directors have endeavoured to ensure that the principal members of its management team are suitably incentivised, but the retention of such staff cannot be guaranteed.

The Group may need to recruit additional senior management and other staff to further develop its business. There can be no guarantee that such individuals will be recruited in the Group's preferred timetable or at the cost levels anticipated by the Group. Competition for staff is strong and therefore the Group may find it difficult to retain key management and staff. The loss of key personnel and the inability to recruit further key personnel could have a material adverse effect on the future of the Group through the impairment of the day-to-day running of the businesses and the inability to maintain existing client relationships.

Economic risk
Demand for the Group's services may be significantly affected by the general level of economic activity and economic conditions in the regions and sectors in which the Group operates. Therefore, a continuation of the challenging economic environment, especially in regions or sectors where the Group's operations are focused, could have a material adverse effect on the Group's business and financial results.

Financial risk
The Group's financial risk management strategy is based on sound economic objectives and corporate practices. The main financial risks concern the availability of funds to meet obligations as they arise (liquidity risk) and fluctuations in exchange rates (exchange rate risk).

Competition
The Group is engaged in business activities where there are a number of competitors. Many of these competitors are larger than the relevant businesses carried on by the Group and have access to greater funds than the Group, which will potentially enable them to gain market share at the expense of the Group.

Chairman's Statement and Strategic Report (continued)

Acquisitions
The Directors cannot discount circumstances where an acquisition would support the Group's business strategy. However, there is no guarantee that the Group will successfully be able to identify, attract and complete suitable acquisitions or that the acquired business will perform in line with expectations.

Funding and working capital
Maintaining a sufficient level of working capital is essential to enable the Group to meet its foreseeable obligations and achieve its strategy. Failure to manage working capital or to collect receivables such as amounts due from Phillite D UK Limited of £840,000 in a timely manner could impact upon the ability of the Group to grow.

Management of growth
The ability of the Group to implement its strategy in an expanding market requires effective planning and management control systems. The Group's growth plans may place a significant strain on its management, operational, financial and personnel resources. The Group's future growth and prospects will, therefore, depend on its ability to manage the growth and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Group's growth could have a material adverse effect on its business, financial condition and results of operations.

Market developments
Any failure to expand the Group's service offering in response to customer demand and/or industry developments may have an adverse effect on the Group's financial performance and prospects.

Reliance on partners
Much of the Group's business is dependent on partners (acquiring banks, charities, clubs, etc.). Changes in key relationships with those partners, change of strategic direction by partner organisations, changes in the viability of partner-owned technology, economic and other business circumstances could all have an adverse effect on the financial performance of the Group.

Legal and regulatory matters
The Group is subject to a considerable degree of regulation and legislation. Changes in or extensions of laws and regulations affecting the industry in which the Group operates (or those in which its customers operate) and the rules of industry organisations could restrict or complicate the Group's business activities, with the potential to increase compliance/legal costs significantly.

Covid 19
On 11 March 2020, the World Health Organisation declared the Coronavirus outbreak (COVID-19) a pandemic. Following on from this, the Company has taken steps to comply with the lockdown measures introduced by the UK Government to help stop the spread of COVID-19, and to protects its employees. Whilst it is not possible to quantify precisely the impact of the pandemic, as disruption to the global economy on this scale has not been seen in recent history, the Directors have taken a number of mitigating actions to ensure that the Company can continue in operation for the foreseeable future, including working remotely and implementing social distancing measures in offices.

Going concern
As a result of the challenges faced by the business in recent periods, and because of the restructuring undertaken in the last year, the Group continues to progress against its plan and has generated operating losses in the year ended 31 January 2020 and subsequently. As a result, there is a risk that it is not able to achieve the forecast growth in revenue, profits and cash flows and as a result it may not be able to continue as a going concern without raising additional capital. Further details are provided in the Directors' Report and in Note 1 to the financial statements.

Chairman's Statement and Strategic Report (continued)

Section 172(1) Statement

The Board of Directors always consider, both individually and together, that they have acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1) (a) - (f) of the Companies Act 2006, in the decisions taken during the year ended 31 January 2020.

Our plan is designed to have a long-term beneficial impact on the group and to contribute to its success in delivering a high quality of service across all of our business divisions.

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our team members is one of our primary considerations in the way we conduct our business. Engagement with suppliers and customers is also key to our success. We meet with our major suppliers and partners at appropriate regular intervals and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.

Our plan considers the impact of the Company's operations on the community and environment and our wider social responsibilities, and how we comply with environmental legislation and pursue waste-saving opportunities and react promptly to local concerns.

As the Board of Directors, our intention is to behave in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both construction and delivery of our plan, that reflects our values, beliefs and culture.

As the Board of Directors, our intention is to behave responsibly towards all our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

The Strategic report was approved by the Board.

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Roger Matthews
Chairman

22 March 2021

The Board of Directors

The directors who served during the year are as follows.

K A Cox (Appointed 31 July 2019)
J M Leuba (Appointed 3 September 2019, Resigned 31 August 2020)
R R Matthews (Chairman) (Appointed 31 July 2019)
A Rudolf
G Paton
Lord E T Razzall (Resigned 31 July 2019)
A J A Flitcroft (Resigned 1 February 2019)
C A McCormick (Resigned 30 November 2019)
C M Hyman (Resigned 31 July 2019)

Change in Senior Management and Board Membership during the year

On the 31 July 2019 The Company announced the following changes to the Board

- Roger Matthews - Non-Executive Chairman
- Kathy Cox - Senior Independent Non-Executive Director

Roger Matthews - Non-Executive Chairman

After initially training and qualifying as an accountant, Roger joined Bank of Bermuda in the early 1970s, helping to establish their mutual funds and corporate trust business, first in Bermuda and subsequently in Hong Kong and Guernsey. In 1987 he joined Royal Bank of Canada as Managing Director of their offshore fund management division and in 1990 was responsible, as a Managing Partner of the corporate trust division, for the Royal Trust Bank range of funds in Jersey. In 1994 he was a director of the trust company operation of one of Jersey's leading law firms, before establishing his own trust company, Obelisk International Trust in 1996. Obelisk International Trust was sold in 2007 to what is now the Imara Group, a large Africa-based financial group, with whom Roger remains involved, including as a Non-Executive Director of their FCA-authorised UK subsidiary, Imara Asset Management (UK) Ltd and Chairman of the group's several mutual funds; this includes the Imara African Opportunities Fund, listed on Euronext Dublin. Roger founded Oyster Trust, a Geneva-based Trust Company in 2011, and remains as its Chairman and Managing Director. Roger specialises in advising high net worth individuals on estate planning and wealth preservation.

Kathy Cox - Senior Independent Non-Executive Director

Kathy has a 40-year career within the UK financial sector, where she rose to senior management positions. During a 15-year stay, Kathy rose to General Manager (Europe) at the Financial Times Information division, before becoming Marketing Director at the London operation of what is now Fitch Ratings. 1998 she commenced working within the secondary personal debt sector, initially with Cabot Financial. In 2004 she began a 10-year role as Group Commercial Director at Capquest Group. In 2014 Capquest was acquired by FTSE-250 listed Arrow Global, where she took the role of Director of UK Originations and was a member of the UK Senior Leadership Team. Since leaving Arrow Global in 2017, Kathy has undertaken a number of consultancy assignments. She is currently Chair of the Kent Savers Credit Union.

On 4 September 2019 the Board announced the appointment of a further non-executive director, Jacques Leuba, who subsequently resigned on 31 August 2020.

The Board of Directors (continued)

Jacques Leuba - Non-Executive Director

Jacques has worked in private and commercial banking for over 40 years in Europe and the Americas. This has included positions with major banking groups such as UBS, Credit Suisse and BNP Paribas, as well as smaller Swiss private banks and establishing the Jersey operations of a Luxembourg private bank. During the 1990s, Jacques was appointed by the UK Foreign & Commonwealth Office to establish an improved banking supervisory department on the island of Anguilla following the "Gallagher Report" which highlighted problems in the British Caribbean Overseas Territories. Since 2011 Jacques has worked as an independent consultant and director of wealth management groups - including Oyster Trust Sàrl, Geneva and SMT Swiss Mutual Trust SA in Geneva and Zug - to provide specialised corporate, trust and advisory services to family offices and private clients. A specialist in wealth structuring and trust planning, Jacques is a member of the Society of Trust and Estate Practitioners, the International Tax Planning Association and an associate member of the International Bar Association.

In November 2019 Cath McCormick, Finance Director, left the company to take up a new senior position in the Third Sector.

There was a single key management change in the termination of the agreement with MHC ST James Limited which saw the departure of Mark Harris from the Company.

Post balance sheet events - change to the Board

On 31 August 2020 Jacques Leuba stepped down from the Board.

On 30 September 2020 Daniel Pym was appointed as Finance Director.

Corporate Governance Statement

The Board seeks to follow best practice in corporate governance to the extent appropriate to the Company's size, nature and stage of development and in accordance with the regulatory framework that applies to AIM companies. AIM companies are required to comply with a recognised corporate governance code, St James House plc has adopted the Quoted Companies Alliance ("QCA") Corporate Governance Code which was published in April 2018 for this purpose.

The QCA Code identifies ten principles to be followed for companies to deliver growth in long term shareholder value. Details of how St James House plc addresses key governance principles as defined in the QCA code are set out below.

The Board and its committees
The Company is led by a Board comprising Non-Executive and Executive Directors. The appointment of Directors is considered by the Nomination and Remuneration Committee and then the Board.

The Board convenes a minimum of eleven times a year, approximately monthly, and more frequently where business needs require. The Board does not have a schedule of matters specifically reserved to it for decision-making, but its responsibilities include matters such as:

- Strategy
- Contracts and trading
- Material capital commitments
- Financial issues
- Approving management and statutory accounts
- Risk identification and assessment

This enables the Directors to review corporate strategy and the operations and results of the business and to discharge their duties within a framework of prudent and effective controls relating to the assessment and management of risk.

The Board of Directors includes Directors who are considered by the Directors to be independent for the purposes of the QCA corporate governance code.

The Group has an Audit Committee, Remuneration Committee, Compliance Committee, Nominations Committee, and an Operations Committee detailed below. Each committee has terms of reference. All committees include a chairman and at least one additional director.

The Audit Committee
Chaired by Arno Rudolf with Roger Matthews as member, receives and reviews reports from management and the Group's auditors relating to the annual and interim accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Group's auditors.

The Remuneration Committee
Chaired by Arno Rudolf with Roger Matthews as member, reviews the scale and structure of the Executive Directors' remuneration and the terms of their contracts. The terms and conditions of appointment of the non-executive directors (including remuneration) are set by the Board. The Remuneration Committee also advises on staff remuneration and administers the Company's share option schemes.

The Nominations Committee
Chaired by Arno Rudolf with Kathy Cox as member, its role is to consider appointments to the Board.

The Compliance Committee
Chaired by Kathy Cox with Roger Matthews as member, has the primary responsibility for ensuring compliance with the AIM Rules for Companies concerning the disclosure of information. The Compliance Committee works closely with the Board to ensure that the Company's Nominated Adviser is provided with any information it reasonably requests or requires in order that it may carry out its responsibilities under the AIM Rules.

Corporate Governance Statement (continued)

The Operations Committee
Chaired by Graeme Paton with other senior management from across the business including, Sales, Finance and Operations as members.
The Operations committee provides review, guidance and oversight for the operational areas of the business whilst providing strategic insight to operational processes and issues.
The committee meets monthly to review the progress, updates and other issues arising during the month, and to provide feedback and suggestions to senior management.
The Operations Committee in turn updates the Board monthly.

Key QCA Principles
The QCA has identified ten principles that focus on the pursuit of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which the company was created.

To adopt the QCA Code it is necessary for a company to apply the ten principles and also to publish certain related disclosures. Detailed below for each principle is a clear explanation of how the company applies the QCA Code (the corporate governance statement). The corporate governance statement is included on the Company's website and in its annual report.

1. Establish a strategy and business model which promote long-term value for shareholders

St James House plc is a diversified company delivering best in class products across the lottery and payments industries. Each of our divisions enjoys key relationships with blue chip clients including household names and leading charities.

St James House will continue to deliver or acquire new products and businesses, with a particular focus on gaming and lotteries and payment processing, underpinned by a solid asset base. St James House will deliver innovative best of class solutions for our clients within a structured corporate governance environment and strategic vision whilst balancing the need for systems and procedures yet still allowing flexibility and entrepreneurship to grow the St James House group of companies.

2. Seek to understand and meet shareholder needs and expectations

The Company ensures it is contactable by investors through a dedicated email address together with the company's address and phone number which can be found on the Company's website. The primary contact point for investor relations is Graeme Paton.

The company holds an AGM to which all members are invited subject to any restriction imposed due to the Covid-19 pandemic. The AGM is the main forum for dialogue with shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. The chairs of the Board and all committees, together with all other Directors, routinely attend the AGM and time is set aside specifically to allow questions from attending members to any board member. The Board encourages constructive feedback from its shareholders on their needs and expectations for the Company through the question and answer sessions at its annual general meeting.

For each vote, the number of proxy votes received for, against and withheld is announced at the meeting.

The company believes this has been a successful strategy to date demonstrated by the proportion of shareholders that vote at each AGM. The results of the AGM are subsequently published on the Company's corporate website.

We seek at all times to provide open and realistic communications with shareholders while ensuring compliance with our regulatory obligations.

Corporate Governance Statement (continued)

During the year to 31 January 2020 and to the date of this Report, St James House held the following meetings:

4 March 2019 – General Meeting:
1. Subdivide, reclassify and consolidate the Company's ordinary shares
2. Authority to issue shares
3. Disapply pre-emption rights
4. Change company name to St James House plc

4 March 2019 – Reconvened AGM:
1. Approval of annual accounts for the year to 31 January 2018

31 July 2019 – AGM:
1. To receive the Report of the Directors and the statement of accounts and the balance sheet of the Company for the year ended 31 January 2019 with the auditors' report thereon
2. To re-appoint MHA MacIntyre Hudson LLP as the Company's auditors
3. To authorise the Directors to determine the auditors' remuneration
4. Re-election of Exec Directors
5. Authority to issue shares
6. Disapply pre-emption rights

28 February 2020 – General Meeting:
1. Company adopt the "Model" articles of association
2. Authority to issue shares
3. Disapply pre-emption rights
4. Disposal of Market Access Ops Limited

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company believes that, in addition to its shareholders, suppliers, clients and regulatory partners, its employees are the main stakeholders. We continually work to improve our employment practices and create a rewarding environment for employees. Additionally, we invest in training and development for employees and management and believe in diversity in the workplace.

The Company has an open and compliant approach to its dealings with the regulators concerned with the admission of the Company's shares to trading on the AIM Market. The Board seeks to identify suppliers that provide the right balance of capabilities and cost and are identified purely on an arms-length commercial basis. The Company's suppliers will be paid in line with agreed payment terms and the Board will act in an ethical manner in all dealings and expect the same from its suppliers.

The Board recognises that as it develops, there will be wider stakeholder and social responsibilities which will have to be taken into account, in particular in relation to the communities in which it becomes active. The Board will seek constructive feedback from all its stakeholders and Arno Rudolf has been designated as the Non-Executive director to whom any stakeholder may provide open and confidential feedback.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board identifies and addresses all risks based on a considered assessment of the likelihood of a risk occurring and the magnitude of the risk to the Company were it to occur, from both an upside and downside perspective. The nature of the Group and its business model creates reliance upon retaining and incentivising its senior management and certain key employees, whose expertise will be important to the fortunes of the Group going forward. The Directors have endeavoured to ensure that the principal members of its management team are suitably incentivised, but the retention of such staff cannot be guaranteed.

Demand for the Group's services may be significantly affected by the general level of economic activity and economic conditions in the regions and sectors in which the Group operates. Therefore, a continuation of the challenging economic environment, especially in regions or sectors where the Group's operations are focused, could have a material adverse effect on the Group's business and financial results.

Corporate Governance Statement (continued)

Audit, risk and internal control

Financial controls
The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the Executive Management, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company.

The Board is responsible for reviewing and approving overall Company strategy, approving revenue and capital budgets and plans, and for determining the financial structure of the Company. Monthly results and variances from plans and forecasts are reported to the Board.

The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls, including the review of results of work performed by the Group controls function.

The Operations Committee assists the Board in terms of reviewing operational activity, processes and financials.
There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans, and for forecasting expected performance over the remainder of the financial period. These cover profits, capital expenditure and balance sheets. Monthly results are reported against budget and compared with the prior year, and forecasts for the current financial year are regularly revised in light of actual performance.

Non-financial controls
The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:
- Close management of the day-to-day activities of the Group by the Executive Directors
- An organisational structure with defined levels of responsibility, which promotes decision-making and rapid implementation while minimising risks
- A comprehensive annual budgeting process producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board
- Detailed monthly reporting of performance against budget
- Central control over key areas such as capital expenditure authorisation and banking facilities

The Group continues to review its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available.

5 Maintain the board as a well-functioning, balanced team led by the chair

During the year, the board of St James House plc comprised two Executive Directors, (the Chief Executive Officer and the Finance Director), a Non-Executive Chairman, and three independent non-executive Directors one of which has since resigned. The appointed Company Secretary is a qualified Chartered Accountant with the relevant experience to perform this function. The Board is considered to be of an appropriate size to comply with relevant Corporate Governance requirements and enable efficient decision making. The Board considers, after careful review, that the Non-Executive Directors bring an independent judgement to bear. The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively.

All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational. During the year eleven Board meetings took place. These were held at the St James House plc head office in London.

The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

Corporate Governance Statement (continued)

The Chairman assisted by the Senior Independent Director (Kathy Cox) take a position of leadership on all matters of Corporate Governance. They are supported in this by the Company Secretary, who ensures that the Board (and any Board Committees) are provided with high quality information on a timely manner to facilitate a proper assessment of the matters requiring a decision or insight.

The following directors were regarded as independent:

Kathy Cox (senior independent Non-Executive Director)
Arno Rudolf
Jacques Leuba
Roger Matthews (Chairman)

During the year, the Executive and Non-Executive Directors attended the following committee meetings:

	Board meetings	**Audit Committee**	**Remuneration Committee**	**Nominations Committee**	**Compliance Committee**
Lord Razzall	6		1	1	6
Clive Hyman	6	2		1	6
Arno Rudolf	11	5	2	1	
Cath McCormick	10	3			
Graeme Paton	11				
Jacques Leuba	5		1		
Roger Matthews	5	1	1		2
Kathy Cox	6				3

During the year Arno Rudolf, a Non-Executive Director, typically spent 2 days per month working on Company business. Clive Hyman, the Senior Non-Executive Director (up until his resignation from the Company on 31 July 2019), typically spent 2 days per month on company business, with additional time spent in July 2019 as the Company prepared and then finalised the annual report and consolidated accounts for the year to 31 January 2019.

On 31 July 2019 Kathy Cox was appointed as a director of the Company. Kathy Cox is the Senior Independent Non-Executive Director (following Clive Hyman's resignation) and typically spends 2 days per month on Company business.

Lord Razzall performed the role of Executive Chairman during the period to 31 July 2019, at which date he resigned as a director of the Company. Whilst not a full time employee, he spent typically 2 days per month in his role as Chairman and a further 2 days per week, in his executive role for the company.

On 31 July 2019 Roger Matthews was appointed as a director of the Company and typically spends 2 days per month in his role as Non-Executive Chairman.

On 3 September 2019 Jacques Leuba was appointed as a director of the Company and typically spent 2 days per month in his role as Non-Executive Director.

Cath McCormick was the Finance Director of the Company up until her resignation as a director on 30 November 2019. This executive director position was a full time role.

During the year Graeme Paton was the Chief Executive Officer of the Company. This executive director position is a full time role.

Corporate Governance Statement (continued)

6. Ensure that between them the directors have the necessary up-to-date experience, skills, and capabilities

The Directors of the Company have been chosen because of the skills and experience they offer. Full biographical details are included on the Company's website. The Board considers that all of the Non-executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities. The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience. 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. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and the Finance Director.

During the year to 31 January 2020, the Board sought independent legal advice with respect to:
1) The sale of Market Access Ops Limited
2) Fund raising and issue of shares in the Company

The Chairman, in conjunction with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. During the year, Directors received updates from the Company Secretary and various external advisers on a number of corporate governance matters.

Details of each director's relevant experience, skills and personal qualities can be found here at www.sjhplc.com/about-us/. Each board member keeps their skills up to date through a combination of courses, continuing professional development through professional bodies and reading.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Company undertakes regular monitoring of personal and corporate performance using agreed key performance indicators and detailed financial reports and works with is corporate advisers to ensure standards are of an appropriate level for a publicly quoted company. In addition, the Board annually reviews its own performance as a whole and of each individual Director. The performance of each Committee is also assessed and guidance and or improvements are made where and when considered appropriate and necessary. These evaluations were not undertaken in previous years. It is intended that these evaluations shall be undertaken annually, after the end of each financial year but prior to the publication of the respective annual report and accounts. The Board also considered and ensures that each Director has the appropriate skills, knowledge, experience and qualifications to be able to perform his or her duties to the highest standard required.

The Company's approach to succession planning is to bring talented individuals into the group at an operating level with the objective of their graduating to Board level in due course.

8. Promote a corporate culture that is based on ethical values and behaviours

A strong corporate culture that is based on ethical values and behaviours is a key part to a successful company. The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area. An open culture is encouraged within the Group, with regular communications to staff and staff feedback regularly sought. The Executive Committee monitors the Group's cultural environment and seeks to address any concerns than may arise, escalating these to Board level as necessary.

The company carries out regular reviews of the performance of each employee and officer of the company.

Corporate Governance Statement (continued)

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The board of St James House plc currently comprises a Non-Executive Chairman, the Chief Executive Officer, the Finance Director and two Non-Executive Directors. The appointed Company Secretary is a qualified Chartered Accountant with the relevant experience to perform this function. The board will actively consider adding additional members to the Board as and when the size of the Company requires. The Board has overall responsibility for the management and success of the Group. The Chief Executive Officer and other senior management 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 judgment to Board decisions. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-Executive Directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Group. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Board has also established an Audit Committee, Remuneration Committee, Compliance Committee, Nominations Committee and an Operations Committee as above. Each committee has terms of reference. Memberships of the different committees is set out at the start of this statement. The terms of reference for the different committees can be viewed here at www.sjhplc.com/regulatory-news/aim-26-rule/

10.Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Board ensures that all stakeholders are kept up to date with the developments of the Company through the Annual Report and Accounts, half-year announcements, the Annual General Meeting (AGM) and trading updates throughout the year. The Board encourages two-way communications with all shareholders and stakeholders whether that be by:

- telephone, email or letter
- investor meetings
- financial updates including interim and annual audited accounts
- General Meetings of the Company including the Annual General Meeting

And via the Company's website www.sjhplc.com

The votes at all general meetings of the Company from 2018 will be published on the Company's website.

If any significant proportion of votes (>20% of independent votes) cast are against a resolution, the Board will provide an explanation on the same page of the action it intends to take.

Notices of all general meetings and annual report and accounts published by the Company since 2018 can be viewed on the Company's website.

Committee Reports

Remuneration Committee Report:
The committee is required to meet not fewer than two times each year, and at such other times as required. During the year to 31 January 2020, the remuneration committee met twice, once in July 2019 to determine the proposed remuneration for Director appointments, and then again in December 2019 to assist the Board review of staff salaries.

Audit Committee Report:
The committee is required to meet not fewer than two times per year. The Audit Committee met five times during the year to 31 January 2020 to review the full year accounts to 31 January 2019 and the interim accounts to 31 July 2019. During the meetings, the Audit committee also reviewed the external auditor's management letter and management's responses.

On the 25 September 2019 the Company received a review letter from the Corporate Reporting Review Team ("CRRT") of the Financial Reporting Council ("FRC") in relation to its review of the financial statements for the year ended 31 January 2019 ('FY19'). The key change in the financial statements for the year ended 31 January 2020 is to make a number of prior year adjustments relating to the earning per share disclosure, the treatment of the interest in debt instruments, accruals with regards to legal fees and Directors and key management personnel remuneration. Further detail is provided in note 3 of the notes to the consolidated financial statements. Several other disclosure enhancements have been adopted in this year's Annual Report to provide further clarity and to address questions and comments raised by the CRRT. The CRRT subsequently confirmed that it had closed its enquiries. The CRRT noted its review was solely based on a review of the accounts for the year ended 21 January 2019 and cannot be relied upon as an assurance or verification.

Nominations Committee Report:
The Nominations Committee met in July 2019, to approve the appointment of Roger Matthews, Kathy Cox and Jacques Leuba to Non-Executive positions on the Board.

Compliance Committee Report:
The Compliance Committee met as part of each Board meeting held, with a view to ensuring that all and any information discussed at Board level were dealt with in the appropriate ways with respect to the AIM rules concerning the disclosure of information.

Operations Committee Report:
The Operations Committee met on a monthly basis through the year. The main focus of the year was to provide the appropriate support and guidance to the Payment Processing business as it built out its products, services and brands. Particular attention was given to ensuring that the policies, processes and compliance aspects of the business were sufficiently robust to underpin the anticipated business growth.

……………….

Roger Matthews
Chairman

22 March 2021

Directors' Report

The Directors present their Report and Financial Statements for the year ended 31 January 2020. This includes the other reports preceding this one namely the

- Board of Directors
- Corporate Governance Statement
- Committee reports

Principal activities
The principal activity of the Company is that of a holding company including undertaking certain head office functions and plc related activities for the Group.

The principal activities of the Group in the year to 31 January 2020 was that of lottery administrators and the provision of payment processing products and services.

Review of the business and future developments
The review of the business and future developments is outlined in the Chairman's statement and strategic report on pages 1 to 7.

FRC review of the financial statements
On the 25 September 2019 the Company received a review letter from the Corporate Reporting Review Team ("CRRT") of the Financial Reporting Council ("FRC") in relation to its review of the financial statements for the year ended 31 January 2019 ('FY19'). As described in the Audit Committee report, this led to a number of prior year adjustments as described in note 3 together with enhanced disclosure in the financial statements for the year ended 31 January 2020.

Financial risk management
The Group's financial risk management policies are disclosed in the accounting policies and note 27 within the financial statements.

Research and development
The Group is committed to research and development activities principally in relation to process improvements surrounding card payment services.

During the year there was investment in a bespoke payments solution system, totalling £40,000 (2019: £90,000), for use by Market Access Ops Limited.

The spend included investment in software that enabled customers of Market Access Ops to self-serve in terms of their payment deposits and withdrawal requests.

Also in the year, research and development costs capitalised in previous years £nil (2019: £440,000) were impaired, as a result of the uncertainties regarding the passporting of licences post Brexit.

Dividends
The directors do not recommend the payment of a dividend for the year ended 31 January 2020 (year ended 31 January 2019: £nil).

Directors' report *(continued)*

Directors' interests in shares and warrants
The Directors who held office during the year ended 31 January 2020 had the following interests in the shares of the Company, including family interests:

	Ordinary shares of 0.1p each	
	At 31 January 2020	***At 31 January 2019***
Lord E T Razzall	62,965,986	62,965,986
C A McCormick	50,000,000	Nil
G Paton	25,000,000	25,000,000

The following share options had been issued to the Directors of the Group:

	Number	*Exercise price*	*Exercise period*
A Rudolf	20,000	100p	24 April 2018 – 23 April 2023

The share options were issued prior to the share capital restructure on 4 March 2019. Following this re-structure, the options were adjusted for the Restructuring to become options over 60,000 Ordinary Shares, exercisable at 100 pence per share. The life of the options remains unchanged at 5 years from 23 April 2018.

During the year 40,000 (previously 40,000,000) share options issued to C Hyman and C A McCormick lapsed following the expiry of 12 months after the option holder ceased to be an employee of any constituent company of the Group.

Directors' remuneration
In accordance with AIM Rule 19, the remuneration of the Directors, who served during the year is detailed below:

	Salary, fees & benefits in kind	*Bonus*	*Pension contributions*	*Total*
	£'000	£'000	£'000	£'000
Lord E T Razzall	29	-	-	29
C M Hyman	12	-	-	12
A Rudolf	20	-	-	20
G Paton	54	-	-	54
C A McCormick	83	-	-	83
K A Cox	15	-	-	15
J W M Leuba	13	-	-	13
R M Matthews	17	-	-	17
Total	243	-	-	243

The FRC enquiry made the point that the remuneration for Cath McCormick and Graeme Paton should have been noted in the prior year directors remuneration data as a result of their appointment for 1 day in the prior year. This would amount to £385 and £208 respectively.

Directors' report (continued)

Substantial shareholdings
As at 31 January 2020 the Group has been notified of the following substantial holdings (3% or more) of ordinary 0.1p shares:

	Percentage holding	*No. of shares*
Empire Global Management Ltd	17.8%	500,000,000
John Botros [1]	10.9%	306,236,391
James Rose [2]	10.2%	286,656,580
Moorhen Ltd [3]	5.0%	140,000,000

1. Includes shares held by Bluedale Corporate Limited a company J Botros controls, and 46,236,391 held by J M Malone, Mr Botros' wife. Mr Botros is a director of Emex Technologies Limited (sold to MDC Nominees Ltd on 30 July 2018), Barrington Lewis Limited and Soccerdome Limited, all wholly owned subsidiaries of the Group.
2. Includes shares held by Management Express Limited, a company owned by James Rose, a director of Prize Provision Services Limited, a wholly owned subsidiary of the Company.
3. A company controlled by Phil Jackson.

No other person has notified an interest in the ordinary shares of the Company as required to be disclosed to the Company.

Since the period end and to the date of approval of this report, there have been movements in both the number of shares in issue and the substantial holdings - as at 3 June 2019 (and following the share consolidation on 4 March 2019 as discussed in the Strategic Report) the Company had been notified of the following substantial holdings (3% or more) of ordinary 0.1p shares:

	Percentage holding	*No. of shares*
Empire Global Management Ltd	16.1%	500,000
John Botros [1]	9.6%	300,000
James Rose [2]	9.6%	298,921
J M Malone [3]	8.0%	248,972
Phil Jackson [4]	5.0%	172,317

1. Includes 100,000 Ordinary Shares held by MDC Nominees Limited, a company controlled by Mr Botros. Mr Botros is director of Barrington Lewis Limited and Soccerdome Limited, all wholly owned subsidiaries of the Group.
2. Includes shares held by Management Express Limited, a company owned by James Rose, a director of Prize Provision Services Limited, a wholly owned subsidiary of the Company
3. J M Malone is Mr Botros' wife. Includes 160,000 Ordinary Shares held by Bluedale Corporate Limited, a company controlled by Ms Malone and 42,736 Ordinary Shares held in trust by Ms Malone for the adult children of her and Mr Botros.
4. Includes 140,000 Ordinary Shares held by Moorhen Limited, a company controlled by Mr Jackson.

Capital structure
Details of the issued share capital are shown in note 24 and note 25 provides information on the Company's capital management. There are no special restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restriction on the transfer of securities or on voting rights. No one has any special rights of control over the Company's share capital and all issued shares are fully paid.

Donations
Neither the Company nor any of its subsidiaries made any political or charitable donations or incurred any political expenditure during either the year to 31 January 2020 or the year to 31 January 2019.

Directors' report (continued)

Creditor payment policy and practice
It is the Group's policy to establish terms of payments with suppliers when agreeing each transaction or series of transactions, to ensure that suppliers are aware of these terms of payment and to abide by them. See note 22 for additional disclosures,

Going concern
UK company law requires Directors to consider whether it is appropriate to prepare the financial statements on the basis that the Company and the Group are a going concern. Furthermore, IAS 1 states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. Throughout the financial statements there are various disclosures relating to Group funding and operational risks.

As disclosed in the Chairman's statement and strategic report, the Directors have undertaken a significant restructuring of the payment processing business during the year to 31 January 2020 as a critical part of the Group's strategy. As a result of the challenges faced by the business in recent periods, and as a result of this restructuring, the Group is in the relatively early phases of its revised longer-term strategy and has generated losses in the year ended 31 January 2020 and subsequently.

The continuing development of payment platform software features are an essential element of the Group's payment processing business.

As noted in the strategic report, in the year ended 31 January 2021, the Group has invested in the legal services division, St Frances, and is pleased with the provisional profitability of that operation.

The Directors have prepared cash flow projections for the period to 31 July 2022 including the lottery, payment processing and legal services divisions which indicate that the Group will generate significantly improved revenue, profit and cash inflows within a short period of time. The directors are also in the process of seeking further investment to support working capital requirements and expand the business further. In particular, the projections demonstrate that the Group will be able to address current cash flow shortfalls, and that it will be able to meet its liabilities as they fall due for the foreseeable future.

The Directors are therefore confident that the Group will be able to generate sufficient resources from its trading to meet the Group's future cash flow requirements and settle its liabilities as they fall due. Therefore, the Directors are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future and they consider it appropriate to adopt the going concern basis in preparing the financial statements.

However, given that business is in the early stages of growth and there is limited track record of revenue, profit and cash flow generation, and the potential impact of the continuing COVID-19 pandemic the substantial achievement of the Group's cash flow forecasts represents a material uncertainty that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. The Group and the Parent Company may, therefore, be unable to continue realising their assets and discharging their liabilities in the normal course of business, but the financial statements do not include any adjustments that would result if the going concern basis of preparation is inappropriate.

Environment policies
The Group is always seeking ways to minimise its consumption of resources and to protect the environment.

Employee policies
The Group places considerable value on the involvement of the employees and keeps them informed on matters affecting them as employees and on relevant matters affecting the performance of the Group.

The Group's employment policies include a commitment to equal opportunities regardless of sex, age, race, sexual orientation or ethnic origin.

The Group's policy is to give full and fair consideration to applications for employment made by disabled persons, bearing in mind the respective aptitudes of the applicants concerned. In the event of staff becoming disabled every effort would be made to ensure their continued employment within the Group and to provide specialised training where appropriate.

Directors' report (continued)

Information to shareholders
The Group has its own website (www.sjhplc.com) for the purposes of improving information flow to shareholders as well as potential investors.

During the year the FRC undertook a review of the financial statements for the year ended 31 January 2019 as described above and in the audit committee report. This highlighted a number of complex accounting issues and disclosures that needed to be reviewed and agreed with the FRC.

The delay in publication of the Annual Report is due to a combination of the inevitable impact of the Covid-19 pandemic on staff availability and movements and complexities in relation to fair value adjustments of the loan notes issued by MDC Nominees as described in note 17.

Relations with shareholders
The Chairman is the Group's principal spokesperson with investors, fund managers, the press and other interested parties. At the Annual General Meeting, private investors are given the opportunity to question the Board.

Internal control
The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and so can be dealt with appropriately.

Subsequent events
Since 1 February 2020, a number of subsequent events have occurred:

Establishment of the legal services business
Changes to the Board

Further information on these can be found in the Chairman's Statement and Strategic Report on page 1.

Disclosure of information to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

Other information
An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report.

The Directors report was approved on behalf of the Board

…………….
Daniel Pym
Director
22 March 2021

Gainsborough House
59-60 Thames Street
Windsor
SL4 1TX

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and they have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 Group and parent Company and of their profit or loss for that period. In preparing each of the Group and Parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operation or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of St James House plc

1. Our opinion is unmodified

We have audited the financial statements of St James House plc (formerly Boxhill Technologies plc) ("the Company") for the year ended 31 January 2020 which comprise the Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 1.

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 January 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2. Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates that the Group's and the parent Company's ability to continue as a going concern is dependent upon the substantial achievement of forecast cash flows and may depend on securing future funding. These events and conditions represent a material uncertainty that may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The risk – disclosure quality

The Directors have undertaken a significant restructuring of the Payment Processing business during the year to 31 January 2020 as a critical part of the Group's strategy. As a result of the challenges faced by the business in recent periods, and as a result of this restructuring started in the prior year, the Group remained in the relatively early phases of its revised longer-term strategy and has generated further losses in the year ended 31 January 2020 and subsequently.

The two key elements of the restructuring that impact going concern are the disposal of Emex (UK) Group Limited on 30 July 2018 and the launch of the re-shaped payment processing business during 2018 and the legal services business in 2020.

The Directors have prepared cash flow projections for the period to 31 July 2022, which indicate that the Group will generate revenues, profit and cash inflows in that period. In particular, the projections demonstrate that the Group will be able to address current cash flow shortfalls, and that it will be able to meet its liabilities as they fall due for the foreseeable future. The directors are also in the process of seeking further investment to support working capital requirements and expand the business further.

The financial statements explain how the Directors have formed a judgement that it is appropriate to prepare the accounts of the Group and Parent Company on a going concern basis. However, the Directors have concluded that the factors discussed in note 1 represent a material uncertainty that may cast significant doubt regarding the Group's and parent Company's ability to continue as a going concern.

As this assessment involves a consideration of future events there is a risk that the judgement is inappropriate.

Independent Auditor's Report to the Members of St James House plc (continued)

Furthermore, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure. Auditing standards require such matters to be reported as a key audit matter.

Our response

Our procedures included:
— ***Personnel interviews:*** inquiring of senior management and challenging the assumptions used in the Directors' forecast models, in particular those relating to forecast revenue, and corroborating these against available evidence by inspecting agreements signed with new and existing customers;
— ***Sensitivity analysis:*** we assessed reasonably possible downside scenarios that would result in the cash flow falling below operating expense requirements and considered whether they could be considered to be reasonably possible; and
— ***Assessing transparency:*** Assessing the going concern disclosure for clarity, including that there is disclosure of a material uncertainty.

3. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Key audit matter	The risk	Our response
Assessment of the litigation position relating to amounts due from Phillite D Limited	**Assessment of valuation**	Our procedures included:
See note 19 relating to the recoverability of the amounts due from Phillite D Limited £840,000 at 31 January 2020 (2019: £1,241,000) Risk vs 2019 – remains the same	The recoverability of the amounts due from Phillite D limited are related to ongoing litigation. There is always a judgement required as to the success of the litigation or otherwise which would have an impact on the likelihood of the recoverability of the debtors or the likelihood of settlement of the creditor.	Review of the supporting documentation relating to the litigation for the transactions involved, discussions with management and in-house counsel.

Independent Auditor’s Report to the Members of St James House plc (continued)

Key audit matter	The risk	Our response
Measurement of the intangibles and goodwill recognised on the acquisition of ANother Ops Limited. See notes 14 and 15 relating to the acquisition of ANother Ops Limited. On acquisition £115,000, at 31 January 2020 £Nil (2019: n/a) Risk vs 2019 – n/a	**Valuation and recoverability** Judgement is required to identify the intangibles acquired and value as appropriate in accordance with the requirements under IFRS 3. Further judgement is required to assess if there is any likely impairment of the intangible at the appropriate measurement date. Additionally, goodwill was recognised as part of the acquisition of ANother Ops Limited during the year requiring judgments over its recoverability in accordance IFRS 3 and IAS 36. This has been impaired in the year together with the intangible above.	Our procedures included: ***Reviewing the intangible calculations*** Discussions with management and technical team on the assessment of the value of the underlying Intellectual Property both on acquisition and at the balance sheet date. ***Reviewing the transaction to the underlying documentation*** Comparing the assessment of goodwill and intangibles to the Sale and Purchase documentation and underlying records of the entity acquired. ***Reviewing the intangible calculations*** Discussions with management and technical team on the assessment of the value of the underlying Intellectual Property and the resultant goodwill
Recoverability and valuation of specific receivables Loan note from MDC £1,124,000 (2019: £1,003,000) Risk vs 2019 – remains the same	**Valuation** There is judgement required to assess both the timings of the repayment of the loan note and the appropriate discount rate used to model the fair value.	Our procedures included: Discussions with management and review of the underlying cash flow forecast for the business sold to MDC to assess the expected timing of the repayments. Review of the appropriate discount rates used by the Directors to translate the above cashflows into a fair market value of the loan instrument including use of comparators.

Independent Auditor's Report to the Members of St James House plc (continued)

4. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £36,000, determined with reference to a benchmark of group normalised earnings before interest, depreciation and amortisation ('EBITDA') (of which it represents 1.75%). We consider EBITDA to be the most appropriate measure of group performance.

Materiality for the parent company financial statements as a whole was set at £31,000, determined with reference to a benchmark of company gross assets, of which it represents 1.25%.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £1,800, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's eight (2019: 8) reporting components, we subjected 5 (2019: 5) to full scope audits for Group purposes. For the residual 3 components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The components within the scope of our work accounted for 100% (2019: 100%) of total group revenue, 100% (2019: 100%) of group loss before tax and 100% (2019: 100%) of total group assets.

All component audits, including the audit of the parent company, were performed by the Group team using component materialities, which ranged from £2,000 to £31,000, having regard to the mix of size and risk profile of the Group across the components.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of St James House plc (continued)

7. Respective responsibilities

Directors' responsibilities
As explained more fully in their statement set out on page 24 the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they 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
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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at:
www.frc.org.uk/auditorsresponsibilities.

8. The purpose of our audit work and to whom we owe our responsibilities

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.

Jason Mitchell MBA BSc FCA (Senior Statutory Auditor)

For and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Pennant House
1-2 Napier Court
Reading
RG1 8BW

23 March 2021

Consolidated Statement of Profit and Loss and Other Comprehensive Income

for year ended 31 January 2020

	Note	**2020**	2019 as restated
		£000	£000
Continuing operations			
Revenue	*3,5*	**989**	938
Cost of sales	*4,6*	**(662)**	(252)
Gross profit		**327**	686
Administrative expenses			
Other	*4,6*	**(2,746)**	(3,052)
Impairment of intangible assets	*14*	**(784)**	(440)
Impairment of financial assets		**(1,059)**	-
Total administrative expenses		**(4,589)**	(3,492)
Operating loss		**(4,262)**	(2,806)
Finance expenses	*9*	**(4)**	(3)
Loss before tax		**(4,266)**	(2,809)
Loss for the year from continuing operations		**(4,266)**	(2,809)
Discontinuing operations			
Profit from discontinued operations, net of tax	*10*	-	2,416
Loss for the year		**(4,266)**	(393)
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss:			
Revaluation of equity investment – Soccerdome	*16*	**(213)**	(9)
Other comprehensive loss for the year, net of income tax		**(213)**	(9)
Total comprehensive loss for the year		**(4,479)**	(402)
Loss per share			
Basic loss per ordinary share (pence per share)	*12,24*	**(138)**	(14.4)
Diluted loss per ordinary share (pence per share)	*12,24*	**(138)**	(14.4)
Loss per share from continuing operations			
Basic loss per ordinary share (pence per share)	*12,24*	**(138)**	(103)
Diluted loss per ordinary share (pence per share)	*12,24*	**(138)**	(103)

All of the loss for the period is attributable to equity holders of the Parent Company.

The notes on pages 33 to 72 form part of these financial statements.

Consolidated Balance Sheet

At 31 January 2020

	Note	**2020**	2019 as restated
		£000	£000
Non-current assets			
Property, plant and equipment	*13*	**8**	3
Goodwill	*15*	**158**	158
Other intangible assets	*14*	**23**	1,009
Investments in equity instruments	*16*	**-**	213
Investments in debt instruments	*17*	**1,124**	1,003
Total non-current assets		**1,313**	2,386
Current assets			
Trade and other receivables	*19*	**1,160**	1,449
Cash and cash equivalents	*20*	**336**	371
Total current assets		**1,496**	1,820
Total assets		**2,809**	4,206
Current liabilities			
Trade and other payables	*22*	**4,411**	1,939
Bank and other borrowings	*21*	**6**	6
Total current liabilities		**4,417**	1,945
Non-current liabilities			
Trade and other payables	*22*	**310**	-
Total liabilities		**4,727**	1,945
Net (liabilities)/assets		**(1,918)**	2,261
Equity attributable to equity holders of the parent			
Share capital	*24*	**3,116**	2,816
Share premium	*25*	**3,020**	3,020
Merger reserve	*25*	**-**	999
Revaluation reserves	*25*	**-**	213
Retained earnings		**(8,054)**	(4,787)
Total equity attributable to equity holders of the Parent		**(1,918)**	2,261

The notes on pages 33 to 72 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 22 March 2021 and were signed on its behalf by:

Daniel Pym
Director

Company registered number: 04458947

Consolidated Statement of Changes in Equity

	Notes	**Share capital £000**	**Share premium £000**	**Merger reserve £000**	**Revaluation reserve £000**	**Retained earnings £000**	**Total equity £000**
Balance at 31 January 2018	*24,25*	**2,356**	**3,020**	**999**	**222**	**(4,408)**	**2,189**
Issue of share capital		460	-	-	-	-	460
Share options charge		-	-	-	-	14	14
Loss for the period as restated*		-	-	-	-	(393)	(393)
Other comprehensive loss	*16*	-	-	-	(9)	-	(9)
Total comprehensive loss		**-**	**-**	**-**	**(9)**	**(379)**	**(388)**
Balance at 31 January 2019	*24,25*	**2,816**	**3,020**	**999**	**213**	**(4,787)**	**2,261**
Issue of share capital		300	-	-	-	-	300
Share options charge		-	-	-	-	-	-
Loss for the period		-	-	-	-	(4,266)	(4,266)
Other comprehensive income	*16*	-	-	(999)	(213)	999	(213)
Total comprehensive loss		**-**	**-**	**-**	**-**	**(3,267)**	**(4,179)**
Balance at 31 January 2020	*24,25*	**3,116**	**3,020**	**-**	**-**	**(8,054)**	**(1,918)**

The notes on pages 33 to 72 form part of these financial statements.

* See note 3 for details

Consolidated Cash Flow Statement

for year ended 31 January 2020

	Note	**2020**	2019 as restated
		£000	£000
Cash flows from operating activities			
Loss for the year		**(4,266)**	(393)
Adjustments for:			
Depreciation and amortisation	*13,14*	**347**	498
Impairments of intangibles	*14*	**784**	440
Impairment of goodwill	*15*	**751**	-
Impairment of trade and other receivables	*19*	**308**	-
Financial expenses	*9*	**4**	3
Share options charge	*24*	**-**	14
Fair value adjustments	*17*	**(121)**	(68)
Loss on disposal of fixed assets		**10**	-
Gain on disposals of subsidiaries	*10*	**-**	(2,759)
Movement in working capital:			
Decrease/(Increase) in trade and other receivables		**(210)**	(1,514)
Increase in trade and other payables		**2,355**	2,226
Cash generated by operations		**(38)**	(1,553)
Interest paid	*9*	**(4)**	(3)
Tax paid		**-**	-
Net cash from operating activities		**(42)**	(1,556)
Cash flows from investing activities:			
Acquisition of property, plant and equipment	*13*	**(1)**	(1)
Acquisition of intangible assets	*14*	**(37)**	(90)
Repayment of loan notes		**-**	19
Net cash on acquisitions		**45**	
Net cash on disposal of subsidiaries	*10*	**-**	(152)
Net cash used in investing activities		**7**	(224)
Net cash used in financing activities		**-**	-
Net (decrease)/increase in cash and cash equivalents		**(35)**	(1,780)
Cash and cash equivalents at start of period		**371**	2,151
Cash and cash equivalents at end of period	*20*	**336**	371

There is no material difference between the fair value and the book value of cash and cash equivalents.

The notes on pages 33 to 72 form part of these financial statements.

Notes to the Consolidated Financial Statements
(forming part of the financial statements)

1 Accounting policies

St James House plc is a public company limited by shares incorporated, domiciled in the United Kingdom and registered in England and Wales under the Companies Act 2006. The registered number is 04458947 and the registered address is Gainsborough House, 59-60 Thames Street, Windsor, Berkshire, SL4 1TX.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented on pages 67 to 74.

The financial statements, upon which this financial information is based, have been prepared under the historical cost basis except where specifically noted.

Operating profit is defined to be revenue less cost of sales and administrative expenses and so excludes profits and losses on items that are not considered to be part of ordinary operating activities.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

1.1 Change in accounting policy

There have been no changes in accounting policies during the year to 31 January 2020 apart from those due to the adoption of new or amended accounting standards.

1.2 Adoption of new and amended accounting standards

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 February 2019:

- IFRS 16 Leases

IFRS 16 is a new accounting standard effective for accounting periods beginning 1 January 2019. The Group has elected to use the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16.

Further details of this change are disclosed in the leases accounting policies below however the new standard did not have a material impact on the Group's financial statements.

1.3 Adopted IFRS not yet applied

The following standards that are not yet effective will be adopted by the Group in future periods:

Amendments to IFRS 10 and IAS 28: Sale or contributions between and investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The Group does not anticipate any material impact on its financial statements.

Notes to the Consolidated Financial Statements (continued)

1 Accounting policies (continued)

1.4 Going concern

UK Company Law requires Directors to consider whether it is appropriate to prepare the financial statements on the basis that the Company and the Group are going concerns. Furthermore, IAS 1 states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. Throughout the financial statements there are various disclosures relating to Group funding and operational risks.

As disclosed in the Strategic Report, the Directors have undertaken a significant restructuring of the Payment Processing business during the year to 31 January 2020 as a critical part of the Group's strategy. As a result of the challenges faced by the business in recent periods, and as a result of this restructuring started in the prior year, the Group remained in the relatively early phases of its revised longer-term strategy and has generated further losses in the year ended 31 January 2020 and subsequently.

The two key elements of the restructuring that impact going concern are the disposal of Emex (UK) Group Limited on 30 July 2018 and the launch of the re-shaped payment processing business during 2018 and the legal services business in 2020.

The Directors have prepared cash flow projections for the period to 31 July 2022, which indicate that the Group will generate revenues, profit and cash inflows in that period. In particular, the projections demonstrate that the Group will be able to address current cash flow shortfalls, and that it will be able to meet its liabilities as they fall due for the foreseeable future. The directors are also in the process of seeking further investment to support working capital requirements and expand the business further.

The Directors are therefore confident that the Group will be able to generate sufficient resources from its trading to meet the Group's future cash flow requirements and settle its liabilities as they fall due. Therefore, the Directors are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future and they consider it appropriate to adopt the going concern basis in preparing the financial statements.

However, given that the Market Access business remains in the early stages of growth and similarly the new legal services division is also at a relatively early stage of development and there is therefore limited track record of revenue, profit and cash flow generation, the substantial achievement of the Group's cash flow forecasts may depend on securing future funding and therefore represents a material uncertainty that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. The Group and the Parent Company may, therefore, be unable to continue realising their assets and discharging their liabilities in the normal course of business, but the financial statements do not include any adjustments that would result if the going concern basis of preparation is inappropriate.

1.5 Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Notes to the Consolidated Financial Statements (continued)

1 Accounting policies (continued)

1.6 Foreign currency

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the parent company, and the presentational currency for the consolidated Financial statements.

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

1.7 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, the Group classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. The approach to the companies expected loss model can be found in note 19.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Financial instruments

Investments in debt and equity securities held by the Group are classified as either fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVTOCI) and are stated at fair value. Any resultant gain or loss is recognised in the Statement of Profit and Loss or in other comprehensive income respectively, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses.

In periods commencing before 1 February 2018, investments in equity securities were classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the revaluation reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments were derecognised, the cumulative gain or loss previously recognised directly in equity was recognised in profit or loss.

Notes to the Consolidated Financial Statements (continued)

1 Accounting policies *(continued)*

1.7 Non-derivative financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from inception. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

1.8 Derivative financial instruments and hedging

At 31 January 2020 and 31 January 2019, the Group had no derivatives in place for cash flow hedging purposes.

1.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised accumulated impairment losses. Useful lives and residual values are reviewed annually at least by the Directors.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

• Office equipment 4 years

• Vehicles 5 years

1.10 Business combinations

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

the fair value of the consideration transferred; plus

the recognised amount of any non-controlling interests in the acquiree; plus

the fair value of the existing equity interest in the acquiree; less

the net recognised amount (generally fair value) of the identifiable assets acquired, liabilities and contingent liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Where fair values are estimated on a provisional basis they are finalised within 12 months of the acquisition date with consequent changes to the amount of goodwill.

Notes to the Consolidated Financial Statements (continued)

1 Accounting policies *(continued)*

1.11 Intangible assets and goodwill

Goodwill

Goodwill is initially recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to the cash-generating units that are expected to benefit from the synergies of the acquisitions. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Development activities relate to software development and involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. The expenditure capitalised includes direct labour that is directly attributable to preparing the asset for its intended use. Capitalisation ceases when the development is available for use. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Capitalised development expenditure is amortised on a straight-line basis over their useful economic lives from the point that the related asset is ready for use. The useful economic lives are assessed annually.

Software

The Timegrand software, purchased in April 2017, is stated at fair value less accumulated amortisation and any recognised accumulated impairment losses. The useful life is reviewed annually by the Directors during the prior period the directors deemed that an appropriate estimate to be 5 years and as such reduced this from 10 years to 5 years.

On acquisition of Timegrand Limited. the fair value of the purchased software asset was calculated using a replacement cost valuation technique, which required estimation of the cost of developing an equivalent software asset. This cost estimation was determined by an independent external software developer. This has been subsequently impaired in the year.

The software acquired as part of the transaction to purchase the share capital of ANother Limited as described in note 15 was valued by the Directors based on the known costs of development. The Directors have subsequently impaired the value on the basis of the post acquisition trading of the business and the related payment services businesses in which the software is being used.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Notes to the Consolidated Financial Statements (continued)

1 Accounting policies *(continued)*

1.11 Intangible assets and goodwill (continued)

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Licences, patents and trademarks	25 years
Software	3 to 10 years

1.12 Impairment excluding inventories, investment properties and deferred tax assets

Financial assets (including receivables)

In accordance with IFRS 9 impairment of financial assets is based on an expected credit loss ('ECL') model. The ECL model requires the Group to account for ECLs and changes in those ECLs at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected, IFRS 9 also requires current and future events to be considered when making an impairment assessment.

IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECLs if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit‑impaired financial asset.

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit‑impaired financial asset), the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12‑months ECL. The group has elected to adopt the simplified approach, as allowed by IFRS9, for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

In respect of assets, other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Consolidated Financial Statements (continued)

1 Accounting policies *(continued)*

1.13 Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Group receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Group's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

For shares issued in settlement of fees and/or liabilities, the Directors estimate the fair value of the shares at issue date and that value is charged as an expense in the income statement (for fees) or reduction in the balance sheet liability (for liabilities) with a corresponding increase in equity.

1.14 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.15 Revenue

Lottery administration

Prize Provision Services Limited provides lottery administration services to societies, for example charities, grass roots sports clubs, benevolent funds, schools etc (the Society). Draws generally take place on the Monday of each week. It costs £1 per entry "line" with the total amount referred to as "Proceeds".

The performance obligation of Prize Provision Services Limited is to place each "line" a player has signed up for into the appropriate lottery draw. The relevant performance obligation is therefore fulfilled each time a customer's "line" appears in a weekly draw, i.e. revenue is recognised only at that point

Revenue recognised equates to the total Proceeds in the draws undertaken in the year to 31 January 2020.

One off set-up costs on new contracts are recognised over the life of the initial contract.

Notes to the Consolidated Financial Statements (continued)

1 Accounting policies *(continued)*

1.15 Revenue (continued)

Payment processing

Payment processing revenue represents the consideration received or receivable from the merchants for services provided. Key revenue streams the Company reports are transaction service charges that relate to services provided to process transactions between the customer and an acquiring bank, which is a bank that accepts card payments from the card-issuing banks. Revenue is recognised when the transactions are successfully processed and is recognised per transaction. Process fees are charged per transaction for providing gateway services.

Payment solutions

Payment solutions revenue is recognised at the point when a chargeable transaction occurs. A handling fee is charged as a percentage of the value of the transaction as contractually agreed with the customer and the revenue is recognised at the point of that transaction. Where a customer has a foreign exchange requirement revenue is recognised when the transaction occurs and is calculated as the net margin between the agreed exchange rate charged to the customer and the exchange rate incurred from any third party provider for undertaking the transaction.

1.16 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the 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 estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing of the entity containing the liability.

Lease payments included in the measurement of the lease liability are made up of fixed payments, 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.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

On the statement of financial position, the right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in lease liabilities.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements (continued)

1 Accounting policies *(continued)*

1.16 Leases (continued)

Leases classified as operating leases under IAS 17

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

1.17 Expenses

Financing income and expenses

Financing expenses comprise interest payable and finance charges recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy. Financing income comprises interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity’s right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.18 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or equity respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the balance sheet date that are expected to apply when the temporary differences are reversed.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes to the Consolidated Financial Statements (continued)

2 Accounting estimates and judgements

In application of the Group's accounting policies above, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities. These estimates and assumptions are based on historical experience and other factors considered relevant. Actual results may differ from estimates.

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Further detail of the key assumptions and sensitivities are included in note 15.

Valuation of investment in equity instrument carried at fair value

Determining fair value requires the entity to estimate the future cash flow expected to arise from the investment and a suitable discount rate in order to calculate present value. Further details of the key assumptions and sensitivities are included in note 16.

Recoverability of receivables

The Directors are confident of the recoverability of receivables, in particular the Phillite D UK Limited trade receivable as some amounts have already been recovered in 2019. In addition, Phillite D UK Limited has claims against three customers for sums in excess of the amounts owed to Group and is confident of their recovery.

Notes to the Consolidated Financial Statements (continued)

3 Prior Period Adjustments

Following an FRC enquiry regarding the annual report and accounts for the year ended 31 January 2019 a number of prior year adjustments have been made as set out below. These adjustments had no impact on the opening statement of financial position as at 01 February 2019 and accordingly no third statement of financial position has been presented.

Earnings per share
It was noted that the denominator in the calculations was not adjusted for the share consolidation that occurred in February 2019, prior to the financial statements being approved by the board. The weighted average number of shares has been adjusted for this.

It was also noted that the EPS on continuing operations incorrectly included profit from discontinued operations. This has been recalculated accordingly.

Interest in debt instruments
The classification at amortised cost of the loan note instrument and its measurement using the discount factor of 2.5% in the prior year financial statements were incorrect. The prior year comparative figures have been adjusted to reflect the appropriate classification required by IFRS 9 and a discount rate that better represented the risk profile of the counterparty.

Following discussions with the FRC, a more detailed review of the risk profile of the loan was undertaken and as a result the discount factor was changed from 2.5% to 12%.

Trade and other payables
We have included an accrual for legal fees for an amount of £100,000. This is in respect of the 100,000,000 Ordinary Shares at a price of 0.1 pence per share in settlement of an invoice from MDC Nominees Ltd in regard to fees for legal services provided by John Botros a director of a Group company.

Previously this issue had been incorrectly announced to the market as relating to consideration for novation of conforming customers. The Directors have re-examined the documentation and made further enquiries, which has led to revised documentation being produced by the parties concerned to clarify the arrangements, concluding it related to legal services provided prior to the transaction and not to the novation of conforming customers as stated above. The misunderstanding of the terms of the transaction had initially arisen as such terms were changed during the finalisation of the transaction. This was due to external factors, namely a third party trying to frustrate the transaction, leading to conflicting documentation being shared relating to the original agreement and not the final position.

Directors' remuneration
The prior year disclosure of directors' remuneration did not include the share option charge of £9,142 incurred in the year on directors share options. This has been restated in note 6.

Key management personnel
The prior year key management personnel remuneration did not include non-executive directors' salaries and the share options charge of £13,713. This has been restated in note 29.

The impact of the above adjustments on the financial statements is shown in the tables below which extract the relevant line items which have been amended:

Notes to the Consolidated Financial Statements (continued)

3 Prior Period Adjustments (continued)

Consolidated statement of profit and loss and other comprehensive income for the year ended 31 January 2019

	As previously reported	Adjustment to trade and other payables	Adjustments to debt instruments	As restated
	£000		£000	£000
Administrative expenses	(3,020)	(100)	68	(3,052)
Finance income	22	-	(22)	-
Loss for the year from continuing operations	**(2,755)**	**(100)**	**46**	**(2,809)**
Profit from discontinued operations, net of tax	3,162	-	(746)	2,416
Loss for the period	**407**	**(100)**	**(700)**	**(393)**
Total comprehensive loss for the year	**398**	**(100)**	**(700)**	**(402)**
Earnings per share				
Basic earnings per ordinary share (pence per share)	0.13			(14.4)
Diluted earnings per ordinary share (pence per share)	0.13			(14.4)
Earnings per share from continuing operations				
Basic earnings per ordinary share (pence per share)	0.01			(103)
Diluted earnings per ordinary share (pence per share)	0.01			(103)

Consolidated balance sheet at 31 January 2019

	As previously reported	Adjustment to trade and other payables	Adjustments to debt instruments	As restated
	£000		£000	£000
Investments in debt instruments	1,722	-	(719)	1,003-
Total non-current assets	**3,105**	**-**	**(719)**	**(2,386)**
Total assets	**4,925**	**-**	**(719)**	**4,206**
Trade and other payables	(1.858)	(100)	19	(1,939)
Total current liabilities	**(1,864)**	**(100)**	**19**	**(1,945)**
Total liabilities	**(1,864)**	**(100)**	**19**	**(1,945)**
Net Assets	**3,061**	**(100)**	**(700)**	**(2,261)**
Trade and other payables	(3,987)	(100)	(700)	(4,787)
Net Assets	**3,061**	**(100)**	**(700)**	**2,261**

Notes to the Consolidated Financial Statements (continued)

4 Segment Analysis

The Group has two business segments, namely that of lottery administration and payment processing facilities. The Group operates solely in one geographical area, the United Kingdom.

The analysis of operations per segment for the year ended 31 January 2020 is as follows:

	Lottery Admin	**Payment Processing**	**Unallocated**	**Group total**
	£'000	**£'000**	**£'000**	**£'000**
Revenue	691	298	-	989
Cost of Sales	(449)	(213)	-	(662)
Administrative expenses	(238)	(994)	(1,166)	(2,398)
Amortisation	-	(344)	-	(344)
Depreciation	(3)	-	-	(3)
Impairment of intangibles	-	(785)		(785)
Impairment of financial assets	-	(846)	(213)	(1,059)
Operating loss	**1**	**(2,884)**	**(1,379)**	**(4,262)**
Finance income/(costs)	(2)	-	(2)	(4)
Loss before tax	**(1)**	**(2,884)**	**(1,381)**	**(4,266)**
Tax	-	-	-	-
Loss for the period	**(1)**	**(2,884)**	**(1,381)**	**(4,266)**

Activity for discontinued operations is included within the Payment Processing segment.

The same analysis for the year ended 31 January 2019 was as follows:

	Lottery Admin	**Payment Processing**	**Unallocated**	**Group total**
	£'000	**£'000**	**£'000**	**£'000**
Revenue	467	471	-	938
Cost of Sales	(252)	-	-	(252)
Administrative expenses	(267)	(951)	(1,336)	(2,554)
Amortisation	(2)	(492)	-	(494)
Depreciation	(1)	(3)	-	(4)
Impairment of intangibles		(440)		(440)
Share based payments charge				
Operating loss	**(55)**	**(1,415)**	**(1,336)**	**(2.806)**
Finance income/(costs)	(1)	-	(2)	(3)
Loss before tax	**(56)**	**(1,415)**	**(1,338)**	**(2,809)**
Tax	-	-	-	-
Loss for the period	**(56)**	**(1,415)**	**(1,338)**	**(2,809)**

There has been an increase in unallocated overheads during the year to 31 January 2020 compared to the prior period, as the business grows its infrastructure and back office central support functions to support anticipated growth in future years, combined with one-off increases in legal fees and audit fees.

Further analysis on the performance of each segment can be found in the Strategic Report.

Notes to the Consolidated Financial Statements (continued)

4 Segment Analysis *(continued)*

The balance sheet analysis as at 31 January 2020 is as follows:

	Lottery Admin	**Payment Processing**	**Unallocated**	**Group total**
	£'000	**£'000**	**£'000**	**£'000**
Total assets	**249**	**1,336**	**1,224**	**2,809**
Additions to non-current assets	**-**	**-**	**-**	**-**
Total liabilities	**440**	**3,304**	**983**	**4,727**

The balance sheet analysis as at 31 January 2019 was as follows:

	Lottery Admin	Payment Processing	Unallocated	Group total
	£'000	£'000	£'000	£'000
Total assets	421	2,411	1,374	4,206
Additions to non-current assets	-	90	1	91
Total liabilities	310	793	842	1,945

The following table analyses assets and liabilities not allocated to business segments as at 31 January 2020 and 31 January 2019:

	2020	2019
	£'000	£'000
Assets		
Intangible fixed assets	**-**	-
Tangible fixed assets	**2**	2
Investment in Soccerdome	**-**	213
Investment in debt instruments	**1,124**	1,003
Trade receivables	**-**	-
Other receivables	**95**	129
Cash and cash equivalents	**3**	27
	1,224	1,347
Liabilities		
Trade and other payables	**977**	755
Borrowings	**6**	6
	983	761

Notes to the Consolidated Financial Statements (continued)

5 Revenue

	2020	2019
	£000	£000
Revenue from continuing activities:		
Lottery admin services	691	447
Payment Processing services	298	491
	989	938
Revenue from discontinued activities:	**-**	104
Total revenues	**989**	1,042

In both the year to 31 January 2020 and the year to 31 January 2019, all revenue was generated in the United Kingdom.

Descriptions of the segments and principal activities can be found in the Strategic Report.

6 Expenses

The following expenses comprise cost of sales:

	2020	2019
	£'000	£'000
Affiliate/agent commission	**213**	1
Fees to lottery clients	**372**	196
Lottery prizes payable	**77**	55
	662	252

An analysis of administrative expenses by nature is set out below:

	2020	2019
	£000	£000
Payroll related costs	**708**	600
Depreciation and amortisation	**347**	498
Other	**1,690**	1,954
	2,745	3,052

Notes to the Consolidated Financial Statements (continued)

7 Operating profit

Operating loss has been stated after charging/(crediting) the following:

	2020	2019
	£'000	£'000
Depreciation of tangible fixed assets	**3**	4
Amortisation of intangible assets	**344**	494
Impairment of intangible assets	**785**	440
Impairment of financial assets	**1,059**	-

Auditor fees for the year ending 31 January 2020 are £54,530 for audit services and £11,125 for tax related (2019: £47,750 and £10,800 respectively.)

8 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2020	2019
	No.	No.
	19	13

The split of employees by function within the Group is as follows:	**No.**	No.
Administration and Sales	**12**	7
Management	**7**	6
Total	**19**	13

	2020	2019
Their aggregate remuneration comprised:	**£'000**	£'000
Wages and salaries	**401**	391
Social security costs	**32**	48
Directors' remuneration	**275**	161
	708	600

Directors' emoluments:

Number of Directors accruing benefits under money purchase schemes	**-**	-
Aggregate emoluments of highest paid Director	**83**	59

Included within Directors' emoluments is £192,000 (2019: £132,000) paid to third parties for directors' services, as detailed in note 27.

Notes to the Consolidated Financial Statements (continued)

8 Staff numbers and costs *(continued)*

Remuneration of key management personnel

The compensation of key management personnel is as follows:

	2020	2019
	£000	£000
Key management remuneration including social security costs	**435**	533

Key management personnel for the year comprised the directors, James Rose and Phil Jackson (2019: directors, James Rose, Catherine McCormick and Phil Jackson).

9 Finance income and expense

	2020	2019
	£000	£000
Finance income	**-**	-
Finance expense	**4**	3

10 Discontinued operations

Results of discontinued operations

	2020	2019
	£000	£000
Revenue	**-**	104
Cost of sales	**-**	-
Gross profit	**-**	104
Administrative expenses	**-**	(447)
Operating (loss)	**-**	(343)
Financial expenses	**-**	-
(Loss) before and after tax	**-**	(343)
Gain on sale of discontinued operations	**-**	2,759
Profit/(loss) for the year	**-**	2,416
Basic and diluted earnings per ordinary share (pence per share)	**-**	88.3

Notes to the Consolidated Financial Statements (continued)

10 Discontinued operations *(continued)*

Cash flows from (used in) discontinued operations

	2020 £000	**2019 £000**
Net cash from operating activities	**-**	**2,703**
Net cash used in investing activities	**-**	**(77)**
Net increase in cash and cash equivalents	**-**	**2,626**

Effect of disposal on the financial position of the Group

	2020 £000	**2019 £000**
Property, plant and equipment	**-**	**(67)**
Other intangible assets	**-**	**(136)**
Trade and other receivables	**-**	**(3,310)**
Cash and cash equivalents	**-**	**(152)**
Trade and other payables	**-**	**6,985**
Net assets and liabilities	**-**	**3,320**
Net cash outflows	-	**(152)**

Notes to the Consolidated Financial Statements (continued)

11 Taxation

Recognised in the income statement

	2020 £000	2019 £000
Current tax expense	-	-
Deferred tax credit	-	-
Total tax expense	**-**	-

Notes to the Consolidated Financial Statements (continued)

11 Taxation (continued)

Reconciliation of effective tax rate

	2020	2019
	£000	£000
Profit/(loss) before tax	**(4,266)**	(393)
Tax using the UK corporation tax rate of 19% (2018: 19.3%)	**(810)**	(75)
Adjusted for the effect of:		
Non-deductible expenses	**402**	178
Non taxable income	**-**	(524)
Deferred tax not recognised	**408**	421
Total tax expense for the year	**-**	-

At the year end there were £5,446,000 (2019: £3,192,000) of unused tax losses for which no deferred tax asset is recognised.

Factors that may affect future tax charges

The current UK corporation tax rate of 19% will remain at 19% from 1 April 2020. This measure sets the Corporation Tax main rate at 19% for the financial year beginning 1 April 2020. This maintains the rate at 19%, rather than reducing it to 17% from 1 April 2020. The charge to Corporation Tax and the main rate will also be set at 19% for the financial year beginning 1 April 2021.

12 Earnings per share

The calculation is based on the earnings attributable to ordinary shareholders divided by the weighted average number of Ordinary Shares in issue during the period as follows:

	2020	2019
Numerator: earnings attributable to equity (£'000)	**(4,266)**	(393)
Denominator: weighted average number of equity shares (No.)	**3,090,830**	2,734,996

As described in the Chairman's Statement and Strategic Report on page 4 there was a share consolidation during the year. In line with the IAS 33, the weighted average number of shares has been adjusted as though the share consolidation occurred on 1 February 2018.

The denominator at 31 January 2020 is calculated as the weighted average of the 2,815,830 equity shares as at 1 February 2019 plus the 300,000 shares issued in February 2019

The denominator as at 31 January 2019 is calculated as the weighted average of the 2,355,830 equity shares as at 1 February 2018 plus the 410,000 shares issued in April 2018 and the 50,000 shares issued in May 2018.

As there was a loss for the year ended 31 January 2020 the diluted earnings per share is the same as the basic earnings per share.

At 31 January 2019 there were a total of 60,000 share options were in issue. As the exercise price for the options was greater than the average share price (assuming a value of 0p for the period of suspension during the year), the options are not dilutive and therefore dilutive earnings per share is the same as basic earnings per share.

Notes to the Consolidated Financial Statements (continued)

13 Property, plant and equipment

	Office equipment	Vehicles	Total
	£000	**£000**	**£000**
Cost			
Balance at 31 January 2018	17	29	46
Additions	1	-	1
Disposals	(10)	(29)	(39)
Balance at 31 January 2019	8	-	8
Additions	8	-	8
Disposals	-	-	-
Balance at 31 January 2020	16	-	16
Depreciation and impairment			
Balance at 1 February 2018	15	2	17
Depreciation charge for the year	1	3	4
Depreciation eliminated on disposals	(11)	(5)	(16)
Balance at 31 January 2019	5	-	5
Depreciation charge for the year	3	-	3
Depreciation eliminated on disposals	-	-	-
Balance at 31 January 2020	8	-	8
Net book value			
At 1 February 2018	2	27	29
At 31 January 2019 and 1 February 2019	3	-	3
At 31 January 2020	**8**	**-**	**8**

Impairment loss and subsequent reversal

During the year to 31 January 2020, there were no impairment losses. The depreciation charge for the year is recognised in administrative expenses in the income statement.

Notes to the Consolidated Financial Statements (continued)

14 Intangible assets

	Software	Licences	Total
	£000	**£000**	**£000**
Cost			
Balance at 31 January 2018	1,690	494	2,184
Additions – internally generated	90	-	90
Disposals	(168)	(54)	(222)
Balance at 31 January 2019	1,612	440	2,052
Additions – internally generated	37	-	37
Additions – acquired on acquisition (see note 15 below)	115	-	115
Disposals	(10)	-	(10)
Balance at 31 January 2020	1,754	440	2,194
Amortisation and impairment			
Balance at 1 February 2018	138	9	147
Amortisation for the year	493	1	494
Eliminated on disposal	(28)	(10)	(38)
Impairment charge for the year	-	440	440
Balance at 31 January 2019	603	440	1,043
Amortisation for the year	344	-	344
Eliminated on disposals	-	-	-
Impairment charge for the year	784	-	784
Balance at 31 January 2020	1,731	440	2,181
Net book value			
At 1 February 2018	1552	485	2,037
At 31 January 2019 and 1 February 2019	1,009	-	1,009
At 31 January 2020	**23**	**-**	**23**

Impairment loss
During the year to 31 January 2020 an impairment of £nil (2019: £440,000) was recognised relating to a licence which has not yet been used and may not be used going forward.

Additionally an impairment loss was recognised relating to the internally generated software acquired during the year as described in note 15 below together with the Timegrand software as the use of either of this software is no longer required in the new plans for the platform to be used by the payment processing business going forward. As part of this impairment, the merger reserve recognised on consolidation of Timegrand was also released.

During the year ended 31 January 2019 a licence retained as part of the Emex companies disposal was fully impaired as the group did not have immediate plans for use of the licence. This was incurred in the payment processing segment.

Notes to the Consolidated Financial Statements (continued)

14 Intangible assets (continued)

Amortisation and impairment charge
The amortisation and impairment charge is recognised in the following line items in the income statement:

	2020	2019
	£000	£000
Administrative expenses	**344**	494
Impairment of intangible assets	**795**	440

15 Goodwill

	Goodwill
	£000
Balance at 1 February 2018	1,673
Disposals in the year	(1,515)
Balance at 31 January 2019	158
Additions in the year	752
Impairment of goodwill	(752)
Balance at 31 January 2020	**158**

On 23 May 2019 the Company acquired 100 percent of the issued share capital of ANother Limited ('AOL'), comprising 350,000 ordinary shares of £1.00 each, of which £210,000 is currently unpaid. The consideration was £5.00. AOL had an existing trading relationship with the Group and had net liabilities to the Group of around £109,000 as at the date of the acquisition.

The acquisition was undertaken in order to acquire the prepaid card platform to enhance the offering for the payment processing division. Please see the strategic report on page 1 for further details.

The following assets and liabilities were recognised on acquisition;

	Net book value in acquired entity	Fair value adjustments	Fair value acquired
	£'000	£'000	£'000
Capitalised development costs (software)	-	115	115
Unpaid share capital	-	-	-
Trade and other receivables	108	-	108
Amounts due to the Company	(140)	140	-
Trade and other payables	(835)	-	(835)
Total	(867)	255	
Fair value of net assets acquired			(612)

Notes to the Consolidated Financial Statements (continued)

15 Goodwill (continued)

Consideration	
£5 Cash consideration	-
Amounts due from AOL	140
Total consideration	140
Less fair value of net assets acquired	612
Goodwill acquired	752

Impairment loss

For the purposes of impairment testing, goodwill acquired in a business combination has been assessed for recoverability on a cash-generating unit (CGU) basis. Goodwill considered significant in comparison to the Group's total carrying amount of such assets has been allocated to cash generating units.

	Goodwill 2020 £000	Goodwill 2019 £000
Cash generating unit		
Lottery Services	**158**	158
Payment processing services	**-**	-
	158	158

Goodwill is being allocated to the Group's subsidiaries (CGUs) as it is expected that those subsidiaries will benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units.

The composition of the CGUs has not changed from the previous impairment testing.

The principal assumptions made in 2020 in testing the goodwill for impairment were as follows:

Lottery services

The recoverable amount was calculated based on determining the value in use of this cash generating unit. The following key assumptions were used in this calculation.

- Period covered by management plans used in calculation - 5 years
- Revenue during year 1 reflects continuation of growth experienced in the final quarter of 2019 and the full year of 2020 (being a growth rate of 5%), with subsequent annual growth rates of 3%
- Pre-tax discount rate of 6.6% applied to cash flow projections

Notes to the Consolidated Financial Statements (continued)

16 Investment in equity instruments

	£'000
At 1 February 2018	222
Fair value adjustment	(9)
At 31 January 2019	213
Fair value adjustment	(213)
At 31 January 2020	**-**

The investment in equity relates to a 10% investment in Nineteen Twelve Holdings Limited, with an original cost of £342,000 in 2016. Management have elected to designate this as fair value through other comprehensive income ('FVTOCI') as the intention is to hold it for the medium to long term.

This investment has been measured at fair value as an available for sale asset with changes in fair value being recorded. No dividends have been recognised during the period. Nineteen Twelve Holdings Limited has entered into a commercial arrangement with Soccerdome Limited, a subsidiary of St James House plc (Formerly Boxhill Technologies plc).

Given that the Group only holds 10% of the share capital of Nineteen Twelve Holdings Limited and correspondingly only 10% of the voting rights and furthermore management and operating decisions are taken by the other equity holder, it is deemed that the Group does not hold control or have significant influence over Nineteen Twelve Holdings Limited.

The principal assumptions made in 2020 in determining fair value were as follows:

The fair value was initially assessed using a discounted cash flow model as in prior years. The following key assumptions were used in this calculation.
- The period covered by management plans used in the calculation is 6 years with a zero growth perpetuity based on the 6th year terminal value
- The annualised long term-growth rate takes the business, to a year 6 pitch utilisation rate of 11% (Winter bookings utilisation rate of 14% and Summer utilisation rate of 8%). This reflects the phase of growth that the business is in following its refurbishment in May 2016.
- The pre-tax discount rate applied to cash flow projection – 9%;

The period covered by this forecast reflects the specific terms in the articles of association of Nineteen Twelve Holdings Limited, which entitles St James House plc to the first £250,000 of post tax profits over that period.

Following review of the model, the condition of the pitches was also reviewed and found to have been in a worse state of disrepair than previously anticipated and as a result of this it has been advised that these will require replacement within the next 2 years. The cost of this replacement exceeds the expected cash inflows in the cashflow model. As a result of this the fair value has been reduced to £Nil.

Notes to the Consolidated Financial Statements (continued)

17 Investments in debt instruments

	Loan notes £000
Balance at 1 February 2018	-
Additions in the year	954
Repayments in the year	(19)
Movement in fair value	68
Balance at 31 January 2019	1,003
Repayments in the year	-
Movement in fair value	121
Balance at 31 January 2020	**1,124**

As part of the sale of the Emex companies the Company was issued part of the consideration in the form of loan notes. The loan notes were issued for £2,000,000 with 0% interest and have been classified as fair value through profit or loss. The fair value is calculated using expected future cash flows at a discount rate of 12%.

Other material terms of the loan are as follows;

- Term of ten years
- A security by way of a debenture over the issued share capital of Emex Technologies Limited, Emex Consult Limited, Net World Limited and Emex (UK) Group Limited
- Repayment by way of a sinking fund based on any various expected receipts relating to the activities disposed to MDC Nominees Limited (‘MDC’) – this sinking fund works on the basis that MDC will pay over settlement monies when it receives funds itself.
- In addition to the t settlement amount of £2,000,000, the Group will have an ongoing entitlement to 50% of any future net revenues arising from the business sold.

The fair value of the loan has been calculated by modelling the expected cash flows from MDC over a period of 8 years discounted at an appropriate rate reflecting the nature and terms of the loan as described above.

Management’s approach to establishing an appropriate discount rate was to review comparators from publicly available financial statements of companies with financial assets that have similar repayment arrangements and by enquiry to brokers, and to adjust that rate to take into account differences in the terms or nature of the comparator to the loan note terms. As alluded to in the Directors’ Report, this has been a particularly difficult exercise in terms of finding suitable instrument comparators with similar profiles to borrowers such as MDC and terms similar to the those stated above. This area of estimation has been one of the key areas addressed in the enquiry with the FRC and as stated in note 3 has led to a prior year adjustment both in the treatment of the loan and the discount used.

The estimate of the fair value of the loan described above is most sensitive to changes in the discount rate used. A 2% change to the discount rate which would result in a reduction or increase in the fair value of the loan notes as at 31st January 2020 of £93,000 or £103,000 respectively (2019: £99,000 or £112,000 respectively).

Notes to the Consolidated Financial Statements (continued)

18 Investments in subsidiaries

Details of the Company's subsidiaries at 31 January 2020 are as follows:

Name of Subsidiary	Company number	Place of incorporation (or registration) and operation	Proportion of ownership interest & voting power held	Holding	Principal activity
Prize Provision Services Ltd	03152966	England and Wales	100%	Ordinary shares	Lottery provider
Soccerdome Ltd	02948017	England and Wales	100%	Ordinary shares	Investment Holding Company
Barrington Lewis Ltd	07190212	England and Wales	100%	Ordinary shares	Dormant
Timegrand Ltd	10539539	England and Wales	100%	Ordinary shares	Software licence holder
Market Access Ops Ltd	11119688	England and Wales	100%	Ordinary shares	Payment Processing and Foreign Exchange provider
Market Access Ltd	10865185	England and Wales	100%	Ordinary shares	Payment Processing and Foreign Exchange provider
St Daniel House Ltd	12298455	England and Wales	100%	Ordinary shares	Payment Processing and Foreign Exchange provider
ANother Ops Ltd	12070514	England and Wales	100%	Ordinary shares	Dormant
Tangramme Ltd	12256507	England and Wales	100%	Ordinary shares	Dormant
PPS Blockchain Ltd	11869585	England and Wales	100%	Ordinary shares	Dormant
Boxhill Technologies Ltd	11770425	England and Wales	100%	Ordinary shares	Dormant
Oyster Payments Ltd	C157638	Mauritius	100%	Ordinary shares	GBC licence holder

Oyster Payments Limited holds a Global Business Corporation (GBC) licence with the Mauritius Financial Services Commission (the "FSC"). Prior to the 01 January 2019, this licence type was known as a GBC1 licence type.

A GBC Licence is governed by the Mauritius Companies Act 2001 and the Financial Services Act 2007. A GBC Licence entitles the holder to carry out approved activities in Mauritius.

Notes to the Consolidated Financial Statements (continued)

18 Investments in subsidiaries *(continued)*

The registered office address for each subsidiary is as follows:

Name of Subsidiary	**Registered office address**
Prize Provision Services Limited	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
Soccerdome Limited	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
Barrington Lewis Limited	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
Timegrand Ltd	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
Market Access Ops Ltd	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
Market Access Ltd	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
St Daniel House Ltd	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
ANother Ops Ltd	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
Tangramme Ltd	1st Floor, 30-35 Pall Mall, London, United Kingdom,
PPS Blockchain Ltd	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
Boxhill Technologies Limited	Nbv Enterprise Centre, David Lane, Office 28, New Basford, Nottinghamshire, United Kingdom,
Oyster Payments Mauritius	Co. Premier Financial Services Ltd, Premier Business Centre, 10th Floor, Sterling Tower, 14 Poudriere Street, Port Louis, Mauritius

It is the Company’s intention to sell Market Access Limited, part of the payment processing segment of the group, to MDC Nominees Limited for £1 shortly after the approval of the financial statements. The financial impact of this transaction the group financial statements has not yet been determined.

Notes to the Consolidated Financial Statements (continued)

19 Trade and other receivables

	2020	2019
	£000	£000
Trade receivables	**921**	1,241
Other receivables	**29**	32
Prepayments and accrued income	**133**	105
VAT receivable	**77**	71
	1,160	1,449

Included in trade receivables is £840,000 (2019: £1,241,000), receivable from Phillite D UK Limited ('PDUKL'), relating to the development of the High Value Transaction Service (HVTS) which was transferred to MDC Nominees Limited, a company controlled by John Botros (see related parties disclosures in note 29 for further details), on 30 July 2018, as part of the sale of Emex consult, Emex (UK) Group Limited and Emex Technologies Limited.

The directors sought an opinion about the probable outcome of the litigation from their lawyers who are acting for them on the case.

The assumption made by management when the financial statements were drafted for the year ended 31 January 2019 was that the balance will be recovered in full as the likelihood of a negative outcome of the case was considered negligible. The updated position is that the litigation has progressed considerably, and management understand that MDC are about to issue proceedings for an amount significantly in excess of the amounts due from Phillite D Limited and remain confident that the amount included would be recoverable. The estimate of the amount recoverable is mostly sensitive to the probability of successful outcome of PDUK's litigation. The directors have used a 20% probability of negative outcome to calculate a weighted average expected credit loss based on the view from the in-house legal advisors. This resulted in a provision of £308,000 which has been included in the financial statements.

The value of the receivable from Phillite D is most sensitive to the recovery of the underlying claim. A variation of 10% in the value of the claim on a settlement gives rise to a difference in the expected credit loss of £170,000.

The Group has provided fully for all other receivables which are not considered recoverable. In determining the recoverability of all receivables, the Group considers any change in the credit quality of the receivable up to the reporting date.

The Directors consider that the carrying amount of the receivables approximates their fair value.

20 Cash and cash equivalents/ bank overdrafts

	2020	2019
	£000	£000
Cash and cash equivalents per balance sheet	**336**	371

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of 3 months or less. The carrying amount of these assets approximates their fair value.

Within the cash balance is an amount of £157,000 held in designated trust accounts for the benefit of clients of Prize Provision Services Limited (2019: £141,000).

Notes to the Consolidated Financial Statements (continued)

21 Bank and other borrowings

Borrowings
Borrowings at 31 January 2020 include a loan of £6,100 (2019: £6,100). The loan is repayable on demand and no interest is payable.

22 Trade and other payables

	2020	2019
	£000	£000
Current		
Trade payables	**1,146**	833
Social security and other taxes	**142**	21
Amounts owing to customers	**2,572**	712
Accrued liabilities and deferred income	**239**	284
Other payables	**312**	89
	4,411	1,939
Non-current		
Other payables	**310**	-

Included in payables is £2,572,000 (2019: £712,000 of amounts held on customers' behalf through the payment processing services carried out by Market Access Ops Ltd and Market Access Limited.

The Group does not hold funds processed by credit cards for merchants; this is all carried out by the acquiring bank and those segregated funds are outside of the Group's own bank accounts and are therefore not recorded in the Group's financial statements. The Group then requires that each merchant deposit its revenue from credit card payments into a Market Access account, out of which the Group collects its revenue. The merchant can then withdraw funds to its chosen bank account when it wishes to do so. A liability is recognised in within Trade and Other Payables as Amounts owed to customers for the amount of such funds deposited by customers, and the balance of such funds held in the Group's bank accounts at the reporting date is included within Cash and cash equivalents.

This treatment is the same for both Market Access and the Emex group of companies ("Emex") and, therefore, remained unchanged when the Group disposed of Emex to MDC during the year ended 31 January 2019.

Accrued liabilities and deferred income represent miscellaneous contractual liabilities that relate to expenses that were incurred, but not paid for at the period end and income received during the period, for which the Group had not supplied the goods or services at the end of the period.

The Directors consider that the book value of trade payables, accrued liabilities and deferred income approximates to their fair value at the balance sheet date.

The average credit period taken for trade purchases is 99 days (2019: 95 days).

Notes to the Consolidated Financial Statements (continued)

23 Deferred taxation

A deferred tax asset has not been recognised in the year ended 31 January 2020 nor the year ending 31 January 2019 in respect of taxable losses carried forward as the probability of future taxable profits being available against which the unused tax losses and unused tax credits cannot be determined with sufficient certainty.

As at 31 January 2020, there were £5,446,000 of unused tax losses (2019: £3,192,000), of which £nil was utilised in the year to 31 January 2020.

There are not considered to be any material temporary differences associated with investments in subsidiaries for which deferred tax liabilities need to be recognised.

24 Equity Share capital

	2020 Shares	2019 Shares	**2020 £**	2019 £
Ordinary shares of 1p each (2019: 0.1p each)	**3,015,830**	2,815,829,770	**30**	2,816
Deferred shares of 0.99p each	**3,115,830,000**	-	**3,085**	-
	3,118,845,830	2,815,829,770	**3,116**	2,816

Movements in shares;

	Ordinary shares	**Deferred shares**	**Total**	Par value £
Opening balance at 1 February 2018	**2,355,829,700**	**-**	**2,355,829,700**	**2,356**
Shares issues	**460,000,000**	**-**	**460,000,000**	**460**
Balance at 31 January 2019	**2,815,829,770**	**-**	**2,815,829,770**	**2,816**
Share issues	**300,000,130**	**-**	**300,000,130**	**300**
Share sub-division	**(3,112,714,170)**	**3,115,830,000**	**3,115,830**	**-**
Balance at 31 January 2020	**3,115,830**	**3,115,830,000**	**3,118,945,830**	**3,116**

Ordinary shares carry one vote per share, have the right to participate in dividend distributions, have the right to participate in capital distributions on winding up and are non-redeemable.

Deferred shares carry no voting rights, have no rights to participate in dividend distributions, have the right to participate in capital distributions on winding up to a maximum of £1,000,000 paid in respect of each ordinary share and are non-redeemable.

Issuing and restructuring of shares during the year

On 14 February 2019 (admitted to trade on AIM with effect from 21 February 2019) new shares totalling 200,000,230 Ordinary Shares of 0.1p each were issued (the “Fee Shares”) in settlement of amounts owed. Full details are included on note 29 (related party).

Notes to the Consolidated Financial Statements (continued)

24 Equity Share capital (continued)

Issuing and restructuring of shares during the year (continued)

On 15 February 2019 the Board proposed to shareholders a sub-division of each share and a subsequent consolidation at a ratio of 1:1000 which was approved by the Board on 4 March 2019. Each Ordinary Share of the Company was sub-divided into one new ordinary share of 0.001 pence each ("Interim Ordinary Shares") and one deferred share of 0.099 pence each ("Deferred Shares"), followed by a consolidation of every 1,000 Interim Ordinary Shares into one consolidated new ordinary share of 1 pence each ("New Ordinary Shares"). Therefore, the existing 3,115,830,000

Ordinary Shares became 3,115,830 New Ordinary Shares and 3,115,830,000 Deferred Shares (the "Restructuring"). Fractional entitlements arising from the Restructuring were aggregated and sold in the market for the benefit of the Company.

On 21 Feb 2019, new shares totalling 300,000,000.23 Ordinary Shares of 0.1 pence each were issued in settlement of amounts invoiced from related parties, see note 27.

Post balance sheet events

On 6 July 2020 new shares totalling 791,667 Ordinary Shares (described as the 366,667 Capitalisation Shares and 425,000 Fee Shares were issued in settlement of certain liabilities totalling £237,500, based on an issue price of 30 pence per Ordinary Share (the "Capitalisation") on 6 July 2020, further details included in note 29 (related party).

The Capitalisation Shares were issued in settlement of amounts owed totalling £127,500, further details included in note 29 (related party).

Issue of Convertible Loan Notes - On 6 July 2020 the Company entered into an unsecured convertible loan note agreement, for a total amount of £415,000 with a small number of investors, some of whom are existing shareholders, which have the following key terms (the "Convertible Loan Notes").

The terms of these notes are summarised below;

- Issued in multiples of £1.00;
- A maturity date of 6 July 2023;
- Convertible into the ordinary shares of 1 pence each in the capital of SJH ("Ordinary Shares") at a price of 10 pence per Ordinary Share at any date up to 6 July 2023;
- Pay a coupon of 5 per cent per annum, which shall accrue until conversion or redemption, and on conversion, may be converted into Ordinary Shares on the same terms as set out above;
- Are unsecured; and
- Are not transferrable except in limited circumstances.

Notes to the Consolidated Financial Statements (continued)

25 Capital and reserves

Nature and purpose of reserves

Share premium

The share premium reserve represents amounts paid for shares in excess of the par value.

Merger reserve

The merger reserve arose in a prior accounting period as a result of the share exchange with Timegrand Limited. This has been eliminated in the year following the impairment of the related intangible in the year.

Revaluation reserve

The revaluation reserve relates to the revaluation of investments in equity instruments.

Dividends

No dividends were recognised in either the period to 31 January 2020 or to 31 January 2019.

26 Share-based payments

Certain Directors and key management were issued with share options on 23 April 2018, exercisable immediately at a price fixed at the date of issue, with an exercise period of 5 years. A total of 60,000,000 share options were issued at an exercise price of 0.1p per share.

Included in the Statement of Profit and Loss is a charge of £nil (2019: £13,713) based on the fair values of the options calculated using the Black-Scholes Model.

During the year 40,000,000 share options were forfeited. At the year end 20,000,000 share options were outstanding. No share options were exercised during the year.

During the year the Company issued shares to some of its creditors as payment for unpaid liabilities, further details can be found in note 27.

27 Financial instruments

The key risks and uncertainties faced by the Group are managed within a risk management framework. The Group's day to day working capital is funded by its cash and cash equivalents. The key risks identified for the Group are discussed below.

The Company has exposure to credit risk, market risk and liquidity risk that arises through the normal course of the Group's business.

27 (a) Fair values of financial instruments

The Directors consider that there is no material difference between the asset and liability values in the balance sheet and their fair value. Financial assets and liabilities are classified into a grouping of Tiers 1 to 3 is based on the degree to which their fair value is observable:

- Tier 1 fair value measurements are those based upon quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Tier 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Tier 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements (continued)

27 Financial instruments (continued)

27 (a) Fair values of financial instruments (continued)

The assets and liabilities held in each tier are as follows;

- Tier 1 – None
- Tier 2 – Investments in debt instruments (see note 17)
- Tier 3 – Investments in equity instruments. See notes.

The fair value of items held in each tier are:

	Tier 1 £000	Tier 2 £000	Tier 3 £000
Balance at 1 February 2018	-	-	222
Movement in the year	-	1,003	(9)
Balance at 31 January 2019	**-**	**1,003**	**213**
Movement in the year	-	121	(213)
Balance at 31 January 2020	**-**	**1,124**	**-**

27 (b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was:

	2020 £000	2019 £000
Trade receivables	**921**	1,241
Other receivables	**27**	27
	948	1,268

As at 31 January 2020, all trade receivables were generated from within the UK.

Notes to the Consolidated Financial Statements (continued)

27 Financial instruments (continued)

27 (b) Credit risk (continued)

Credit quality of financial assets and impairment losses

The aging of trade receivables at the balance sheet date was:

	2020	2019
	£000	£000
Not past due	**-**	-
Past due [0-30 days]	**-**	-
Past due [31-120 days]	**-**	-
More than 120 days	**921**	1,241
	921	1,241

All of the £840,000 that was in excess of 30 days past due as at 31 January 2020 was due from a related party (Phillite D UK Limited, "PDUKL").

The boards assessment of the recoverability of the amounts owing from PDUKL is based on the expected successful outcome of PDUKL's current litigation. The expectation is that the settlement will be received within the next 24 months and that this will be substantially higher than the amounts due to St James House. Please see note 18 for further details.

At 31 January 2020 there were no trade receivables that were impaired (2019: £nil).

27 (c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 31 January 2020, the Group held a £6,100 loan (2019: £6,100). In addition, as at 31 January 2020, the Group had Trade and other payables of £4,727,000 (2019: £1,939,000).

The ageing of trade and other payables at the balance sheet date was;

	2020	2019
	£000	£000
Due	**1,506**	1,552
Due 60-90 days	**15**	8
Due 90-120 days	**48**	14
Due 120+ days	**3,158**	365
	4,727	1,939

The Directors consider that there is no material difference between the value in the balance sheet and its fair value.

Notes to the Consolidated Financial Statements (continued)

27 Financial instruments (continued)

27 (d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments

The Group's exposure to interest rate risk mainly concerns financial assets and liabilities, which are subject to floating rates in the Group. At present the Group's loans are on fixed rate interest rates and hence it is not exposed to risk on these should rates move.

The Finance Director is responsible for managing cash flow management, interest and foreign exchange exposure to ensure adequate liquidity at all times to meet cash requirements.

Market risk - Foreign currency risk

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments.

31 January 2020	Sterling	Euro	US Dollar	Other	Total
	£000	£000	£000	£000	£000
Cash and cash equivalents	193	142	1	-	336
Trade and other receivables	948	-	-	-	948
Bank loans	(6)	-	-	-	(6)
Trade and other payables	(3,234)	(1,240)	(156)	(81)	(4,711)
Net exposure	**(2,099)**	**(1,098)**	**(155)**	**(81)**	**(3,433)**

The same analysis for the year to 31 January 2019 was as follows:

31 January 2019	Sterling	Euro	US Dollar	Other	Total
	£000	£000	£000	£000	£000
Cash and cash equivalents	249	88	2	32	373
Trade and other receivables	1,268	-	-	-	1,268
Bank loans	(6)	-	-	-	(6)
Trade and other payables	(984)	(573)	(62)	(36)	(1,655)
Net exposure	**527**	**(485)**	**(60)**	**(4)**	**(20)**

Notes to the Consolidated Financial Statements (continued)

27 Financial instruments (continued)

27 (d) Market risk (continued)

Sensitivity analysis

A 1% percent weakening of the following currencies against the pound sterling at 31 January 2020 would have reduced loss before tax by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the year ended 31 January 2019.

	Equity 2020 £000	Equity 2019 £000
€	**10**	5
$	**2**	1
other	**1**	-

A 1% percent strengthening of the above currencies against the pound sterling at 31 January 2020 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – Interest rate risk

During both the year to 31 January 2020 and the year to 31 January 2019, the Company's surplus funds were placed in deposits at floating rates. At present the Group's loans are on fixed rate interest rates and hence it is not exposed to risk on these should rates move.

Market risk - Equity price risk

The Group does not currently have any exposure to equity price risk. As at 31 January 2020, the Group did not have any investments in quoted equity securities.

27 (e) Capital management

The objective of the Company's capital management is to ensure that there is sufficient liquidity within the Company to carry out the committed and forecast investment and expenditure. The Company monitors the long-term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. The Board manages the structure of its capital and makes necessary adjustments to accommodate the changes in the economic conditions. To maintain or adjust the capital structure, the Board may issue new shares for cash. No significant changes were made in the objectives, policies or processes during the period ended 31 January 2020.

Notes to the Consolidated Financial Statements (continued)

28 Leases

Currently the group only has short term property leases.

Included in the income statement is a charge of £140,000 (2019: £Nil) relating to short term leases that have not been capitalised.

Transition to IFRS 16

On transition to IFRS 16 the group only had short term leases and no right of use asset or lease liabilities were recognised.

Leases under IAS 17

Non-cancellable operating lease rentals are payable as follows:

	2020	2019
	£000	£000
Less than one year	**120**	125
Between one and five years	**-**	-
More than five years	**-**	-
	120	125

Operating lease payments represent rentals payable by the Group for office premises.

During the year to 31 January 2020 £Nil was recognised as an expense in the income statement in respect of operating leases (2019: £25,000).

29 Related parties

The transactions set out below took place between the Group and certain related parties.

Share issues

Since 1 February 2019, a number of shares have been purchased by Persons Discharging Managerial Responsibility ("PDMR") under the Market Abuse Regulations:

1. On 4 February 2019, Phil Jackson purchased 29,577,728 Ordinary Shares at a price of 0.0623p and a further 2,739,726 at a price of 0.0732p
2. On 19 March 2019 (and after the Share Consolidation set out below), James Rose purchased 12,265 Ordinary Shares at a price of £0.40

On 14 February 2019 (admitted to trade on AIM with effect from 21 February 2019) new shares totalling 200,000,000 Ordinary Shares of 0.1p each were issued (the "Fee Shares") in settlement of amounts owed.

1. 30,000,000 Ordinary Shares at a price of 0.1 pence per share in settlement of invoices for director and consultancy fees totalling £30,000 from RT Associates, a partnership controlled by Lord Tim Razzall, a director of the Company, in relation to his contracted services as Executive Chairman of the Company.
2. 20,000,000 Ordinary Shares at a price of 0.1 pence per share in settlement of invoices for consultancy fees totalling £20,000 from FS Business Limited, a company controlled by Andrew Flitcroft, the company secretary and a former director of the Company, in relation to his contracted services as Finance Director to 31 January 2019 and company secretary of the Company.
3. 50,000,000 Ordinary Shares at a price of 0.1 pence per share in settlement of salaried amounts outstanding totalling £50,000 for Cath McCormick, a director of the Company, in relation to her contracted employment with the Company.
4. 100,000,000 Ordinary Shares at a price of 0.1 pence per share in settlement of an invoice from MDC Nominees Ltd in regard to fees for legal services provided by John Botros a director of a Group company.

Notes to the Consolidated Financial Statements (continued)

29 Related parties (continued)

The Fee Shares were issued in settlement of amounts owed totalling £127,500. The Fee Shares consist of the following elements:

1. 16,667 Ordinary Shares at a price of 30 pence per share in settlement of director fees totalling £5,000 for Arno Rudolf, a director of the Company, in relation to his contracted services as a non-executive director of the Company.
2. 41,667 Ordinary Shares at a price of 30 pence per share in settlement of director fees totalling £12,500 for Roger Matthews, a director of the Company, in relation to his contracted services as a non-executive Chairman of the Company.
3. 13,333 Ordinary Shares at a price of 30 pence per share in settlement of director fees totalling £4,000 for Jacques Leuba, a director of the Company at the time, in relation to his contracted services as a non-executive director of the Company.
4. 16,667 Ordinary Shares at a price of 30 pence per share in settlement of director fees totalling £5,000 for Graeme Paton, a director of the Company, in relation to his contracted services as a chief executive director of the Company.
5. 210,000 Ordinary Shares at a price of 30 pence per share in settlement of invoices for consultancy fees totalling £63,000 in respect of services provided by John Botros, a subsidiary director of the Company, in relation to his contracted services, to be issued to First Hartford Trust.
6. 76,666 Ordinary Shares at a price of 30 pence per share in settlement of invoices for consultancy fees totalling £23,000 from PEP Contracting Limited, a company controlled by Dan Pym, a director of the Company, in relation to his contracted services.
7. 50,000 Ordinary Shares at a price of 30 pence per share in settlement of invoices for director and consultancy fees totalling £15,000 from RT Associates, a partnership controlled by Lord Tim Razzall, a former director of the Company, in relation to his contracted services as director and Chairman of the Company until his resignation on 31 July 2019.

On 30 June 2020 the company announced that in order to replace the proposed investment from AIS that it had entered into an agreement with a number of individuals including existing shareholders entering into an unsecured convertible loan note for a total amount of £415,000 to improve the working capital position of the Company.

Included within the subscriptions for the Convertible Loan notes are the following related party and Persons Discharging Managerial Responsibilities:

1. £110,000 by Philip Jackson a member of the operations committee
2. £75,000 by First Hartford Trust, a family trust of Mr John Botros, a subsidiary director
3. £20,000 by Daniel Pym, finance director
4. £20,000 by James Rose, a subsidiary director
5. £10,000 by Tilly Beazeley a person closely associated with Philip Jackson, member of the operations committee
6. £5,000 by Roger Matthews, the Chairman
7. £5,000 by Arno Rudolf, a Non-Executive Director
8. £5,000 by Tim Razzall, who was Chairman until 31 July 2019.

Directors fees and consultancy services

Lord E T Razzall

Lord E T Razzall, a director, charged the Group £43,755 (2019: £59,167) in the period, for directorship services provided, via an entity trading as R T Associates. At the year end R T Associates was owed £27,600 (2019: £38,400).

Notes to the Consolidated Financial Statements (continued)

29 Related parties (continued)

Andrew J A Flitcroft

Andrew Flitcroftcharged the Group £27,00 (2019: £53,000) in the period, for directorship services to 31 January 2019 and company secretarial services provided, via FS Business Limited. At the year end FS Business Limited was owed £75,950 (2019: £67,550).

Clive M Hyman

Clive Hyman, a director, charged the Group £10,000 (2019: £20,000) in the period, for directorship services provided, via Hyman Capital Services Limited. At the year end Hyman Capital Services Limited was owed £nil (2019: £4,000).

During the prior year Clive Hyman was issued 20,000,000 share options exercisable immediately with an exercise price of 0.1p. The options have a life of 5 years and none of these had been exercised at the year end. During the current year these options were forfeited by Clive Hyman following his resignation on 31 July 2019.

Arno Rudolf

Arno Rudolf, a director, charged the Group £20,000 (2019: £20,000) in the period, for directorship services. At the year end, Mr Rudolf was owed £26,667 (2019: £6,667).

During the prior year Arno Rudolf was issued 20,000,000 share options exercisable immediately with an exercise price of 0.1p. The options have a life of 5 years and none of these had been exercised at the year end.

Kathy Cox

Kathy Cox, a director, charged the Group £12,359 (2019: £nil) in the period, for directorship services. At the year end, Kathy Cox was owed £14,830 (2019: £nil).

Jacques Leuba

Jacques Leuba, a director, charged the Group £12,667 (2019: £nil) in the period, for directorship services. At the year end, Mr Leuba was owed £12,667 (2019: £nil).

Roger Matthews

Roger Matthews, a director, charged the Group £17,261 (2019: £nil) in the period, for directorship services. At the year end, Mr Matthews was owed £17,261 (2019: £nil).

John M Botros

John M Botros is a director of Prize Provision Services Limited, Timegrand Limited, Soccerdome Limited and Barrington Lewis Limited and company Secretary of Prize Provision Services Limited. He was also director of Market Access Limited until April 2018 and was director of the Emex companies for the entire period to their disposal from the Group in the prior year.

During the year John Botros charged the Group £101,000 (2019: £395,000) for services provided via two entities Bluedale Corporate Limited ("BCL") and St James Chambers. £3,447 (2019: £4,874) was also charged for expenses incurred on the Group's behalf. At the year end BCL was owed £75,528 (2019: £100,000) and St James Chambers was owed £nil (2019: £nil).

During the year BCL was charged £nil (2019: £18,690) for services provided by Market Access Ops Ltd. Included in other payables an amount of £nil (2019: £35,598) owed to BCL by Market Access Ops Limited.

James Rose

James Rose is a director of Prize Provision Services Limited ('PPSL'). During the period James Rose charged PPSL £60,000 (2019: £77,300) for consultancy services via Nineteen Twelve Management Limited. At the year end Nineteen Twelve Management Limited was owed £79,167 (2019: £85,200).

Notes to the Consolidated Financial Statements (continued)

29 Related parties (continued)

Mark Harris

During the year to 31 January 2020, Mark Harris was a Director of Market Access Ops Ltd and charged Market Access Ops Ltd £37,586 (2019: £105,000) for director services, via MHC St James Limited. At the year end Market Access Ops Limited owed Mark Harris £nil (2019: £nil).

Other transactions and balances

Phillite D UK Limited
Included in trade debtors is an amount of £840,000 (2019: £1,241,000) due from Phillite D UK Limited ("PDUKL"), a company in which John Botros is a director. See note 19 for further details on the recoverability of the amount owed.

Lord Razzall

On 8 March 2019, the Board of Directors of St James House PLC announced it had agreed terms, subject to contract, to establish a new lottery joint venture in Malta. The Company's partner in this joint venture is ZeU Crypto Networks Limited ("ZeU"), a wholly owned subsidiary of St-Georges Eco-Mining Corp. of Montreal, Canada ("SGEM"), whose shares are quoted on the Canadian Securities Exchange (The "Lottery JV"). There has been no further activity with this business segment to date.
The Lottery JV has been established as a new company in Malta and will combine the Company's expertise in regulated lottery management and administration with ZeU's innovative blockchain-based technology. The Group will hold a 45 per cent equity interest in the Lottery JV and the other shareholders will be Zeu with 19.9 per cent, SGEM with 19.9 per cent and the balance with outside shareholders. All costs of the Lottery JV will be met by ZeU and in return, ZeU will charge a service fee that will not exceed 90% of the revenues from the Lottery JV. The remaining 10 per cent of the revenues of the Lottery JV will be distributed as a dividend to the shareholders, i.e. the Group will receive 4.5 per cent of the revenues of the Lottery JV by way of a dividend. St James House PLC will appoint three directors to the Lottery JV and ZeU will appoint one director. The Lottery JV will apply to the Maltese authorities for the appropriate licence to operate a lottery, however this process has been delayed due to the lengthy process involved and travel and the consequences of travel restrictions across Europe.
The Group's interest in the Lottery JV is held by PPS Blockchain Limited, a wholly owned subsidiary of SJH ("PPSB"). PPSB will issue 100,000 non-voting, zero-coupon redeemable preference shares of 2 pence each to ZeU (the "Preference Shares"). The Preference Shares will be redeemable in 21 years, the redemption price of the Preference Shares to be fixed within 3 months after the issue of the audited accounts of the Lottery JV for the second year of trading and will be based on an independent valuation report of the value of the Group's equity interest. At the discretion of ZeU, the Preference Shares may be exchanged on the basis of one Preference Share for two ordinary shares of 1 pence each in SJH ("Ordinary Shares"), with notice to be given one day before the preference shares are due to be redeemed in 21 years, i.e. a maximum of 200,000 Ordinary Shares may be issued.
Lord Razzall, the ex-Non-Executive Chairman of SJH is a director of ZeU and holds no common shares in ZeU, he owns less than 1 per cent of the common shares of SGEM and is not a director of SGEM.

MDC Nominees Limited

On 28 February 2020 the group disposed of Market Access Ops Limited to MDC Nominees Limited, a company controlled by J M Botros for a consideration of £1.

30 Controlling Party

No single individual has sole control of the Company.

Company Balance Sheet
At 31 January 2020

	Note	**2020**	2019 as restated
		£000	£000
Non-current assets			
Property, plant and equipment	3	**2**	2
Intangibles	4	**13**	90
Investments	5	**94**	811
Interest in debt instruments	6	**1,124**	1,003
Total non-current assets		**1,233**	1,906
Current assets			
Trade and other debtors	7	**1,140**	1,473
Cash and cash equivalents	8	**3**	27
Total current assets		**1,143**	1,500
Total assets		**2,376**	3,406
Current liabilities			
Trade and other payables	9	**2,446**	1,380
Total current liabilities		**2,446**	1,380
Total liabilities		**2,446**	1,380
Net (liabilities)/assets		**(70)**	2,026
Capital and reserves			
Share capital	10	**3,116**	2,816
Share premium	10	**3,020**	3,020
Revaluation reserve	10	**-**	213
Retained earnings	10	**(6,206)**	(4,023)
Equity shareholders' funds		**(70)**	2,026

The accompanying notes on pages 75 to 83 form an integral part of these financial statements.

As permitted by Section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The loss for the period after taxation was £2,396,000 (2019: £339,000 profit).

These financial statements were approved by the board of directors and authorised for issue on 22 March 2021 and were signed on its behalf by:

Daniel Pym
Director

Company registered number: 04458947

Company Statement of Changes in Equity

	Share capital £000	Share premium £000	Revaluation Reserve	Retained earnings £000	Total equity £000
Balance at 31 January 2018	2,356	3,020	222	(4,376)	1,222
Shares issued	460	-	-	-	460
Share based payments credit	-	-	-	14	14
Profit for the period	-	-	-	339	339
Other comprehensive income	-	-	(9)	-	(9)
Balance at 31 January 2019	2,816	3,020	213	(4,023)	2,026
Shares issued	300	-	-	-	300
Share based payments credit	-	-	-	-	-
Loss for the period	-	-	-	(2,396)	(2,396)
Other comprehensive income	-	-	(213)	213	-
Balance at 31 January 2020	**3,116**	**3,020**	**-**	**(6,206)**	**(70)**

The accompanying notes in pages 75 to 83 form an integral part of these financial statements.

Notes to the Company Financial Statements
(forming part of the financial statements)

1 Accounting policies

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.

Finance costs

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

Pensions

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

The contributions are recognised as an expense in the Statement of income and retained earnings 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.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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.

Notes to the Company Financial Statements (continued)

1 Accounting policies (continued)

Intangible assets

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

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

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.
Depreciation is provided on the following basis:

Office equipment - Over 4 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes to the Company Financial Statements (continued)

Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

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

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

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

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

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

The Company's financial risk management policies are disclosed in the consolidated financial statements.

The accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

2 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling which is the functional currency of the Company. All amounts in the financial statements have been rounded to the nearest £1,000.

Notes to the Company Financial Statements (continued)

2 Basis of preparation

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of the Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments;* and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

3 Property, plant and equipment

	Office equipment	**Total**
	£000	**£000**
Cost		
Balance at 31 January 2018	6	6
Additions	1	1
Balance at 31 January 2019	7	7
Additions	1	1
Balance at 31 January 2020	8	8
Depreciation and impairment		
Balance at 31 January 2018	5	5
Depreciation charge for the year	-	-
Balance at 31 January 2019	5	5
29		
Depreciation charge for the year	1	1
Balance at 31 January 2020	6	6
Net book value		
At 1 February 2018	1	1
At 31 January 2019 and 1 February 2019	2	2
At 31 January 2020	**2**	**2**

Depreciation and impairment losses

During the year to 31 January 2020, there were no impairment losses.

The depreciation charge for the year is recognised in administrative expenses in the income statement.

Notes to the Company Financial Statements (continued)

4 Intangible assets

	Software	Licences, patents and trademarks	Total
	£000	£000	£000
Cost			
Balance at 31 January 2018	-	-	-
Additions	90	440	530
Balance at 31 January 2019	90	440	530
Additions	36	-	36
Disposal	(6)		(6)
Balance at 31 January 2020	120	440	560
Amortisation and impairment			
Balance at 1 February 2018	-	-	-
Impairment charge for the year	-	440	440
Balance at 31 January 2019	-	440	440
Impairment charge for the year	108	-	108
Balance at 31 January 2020	108	440	548
Net book value			
At 1 February 2018	-	-	-
At 31 January 2019 and 1 February 2019	**90**	**-**	**90**
At 31 January 2020	**12**	**-**	**12**

Amortisation and Impairment
During the year to 31 January 2020 an impairment of £nil (2019: £440,000) was recognised relating to a licence which has not yet been used and may not be used going forward.

During the year to 31 January 2020 an impairment charge of £108,00 (2019: £nil) was recognised relating to software which was not likely to generate any further cashflows going forward.

The impairment charge for the year is recognised as a separate item in the income statement.

Notes to the Company Financial Statements (continued)

5 Fixed asset investments

The Company's investments consist of investments in subsidiaries of £234,000 (2019: £811,000).

Subsidiary	**Investment held 2020 £'000**	Investment held 2019 £'000
Prize Provision Services Limited	**14**	14
Soccerdome Limited	**-**	213
Oyster Pay Solutions Limited (Mauritius)	**80**	-
Timegrand Limited	**-**	505
Market Access Operations Ltd (previously Market Access Limited)	**-**	10
Market Access Limited (previously ANother Limited)	**-**	-
	94	811

As part of the annual impairment review of the Company's investment in Soccerdome (which has a 10% investment in Nineteen Twelve Holdings Limited as disclosed in note 13 to the Group financial statements), an impairment to the value of the Company's investment in Soccerdome Limited of £213,000 has been made in the year to 31 January 2020. Details of the assumptions for valuing Soccerdome Limited are included in note 13 of the Group financial statements.

See details of the acquisition of Market Access Limited in note 15 of the group consolidated financial statements.

Details of the Company's subsidiaries at 31 January 2020 can be found in note 16 of the consolidated financial statements.

6 Investments in debt instruments

Details on investments in debt instruments can be found in note 17 of the group consolidated financial statements.

Notes to the Company Financial Statements (continued)

7 Debtors

	2020	2019
	£000	£000
Amounts due from subsidiary undertaking	**152**	103
Trade receivables	**840**	1,241
Other receivables	**101**	88
Prepayments	**47**	41
	1,140	1,473

Included within trade and other receivables is £nil (2019: £nil) expected to be recovered in more than 12 months.

8 Cash and cash equivalents/ bank overdrafts

	2020	2019
	£000	£000
Cash at bank and in hand	**3**	27
Cash and cash equivalents	**3**	27

9 Current liabilities

	2020	2019
	£000	£000
Amounts due to subsidiary undertakings	**1,468**	518
Trade payables	**785**	612
Other payables	**64**	25
Accrued liabilities and deferred income	**129**	144
	2,446	1,299

	2020	2019
Presented as:	**£000**	£000
Current	**2,446**	1,299
Non-current	**-**	-

Included within trade and other payables is £nil (2019: £nil) expected to be settled in more than 12 months. Accrued liabilities and deferred income represents miscellaneous contractual liabilities that relate to expenses that were incurred, but not paid for at the period end and income received during the period, for which the Company had not supplied the goods or services at the end of the period.

The Directors consider that the book value of trade payables, accrued liabilities and deferred income approximates to their fair value at the balance sheet date.

Notes to the Company Financial Statements (continued)

10 Capital and reserves

The movements on share capital are disclosed in note 24 of the consolidated financial statements.

11 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2020	2019
	£000	£000
Less than one year	**120**	125
Between one and five years	**-**	-
More than five years	**-**	-
	120	125

Operating lease payments represent rentals payable by the Company for office premises.

During the year to 31 January 2020 £Nil was recognised as an expense in the income statement in respect of operating leases (2019: £25,000).

12 Commitments

Capital commitments

The Company had no contractual commitments to purchase tangible fixed assets as at 31 January 2020 (2019: £nil).

13 Employee benefits

Share based payments

Share based payments are disclosed in the Consolidated financial statements in note 24.

Notes to the Company Financial Statements (continued)

14 Related party disclosures

Identity of related parties with which the Company has transacted
The transactions set out below took place between the Parent Company and its subsidiaries.

	2020	2019
	£'000	£'000
Management charge to		
Market Access Limited	**27**	19
Prize Provision Services Limited	**42**	43
Balance included in debtors		
Barrington Lewis Ltd	**3**	3
Prize provision Services Limited	**128**	100
St Daniel House Limited	**21**	-
	152	103
Balance included in creditors:		
Market Access Ops Limited	**1,129**	434
Soccerdome Limited	**17**	20
Oyster Pay Solutions Limited (Mauritius)	**59**	61
Market Access Limited	**263**	-
	1,468	515
	-	-

All transactions were undertaken on an arm's length basis.

Transactions with key management personnel

Total compensation of key management personnel (including the directors) is covered in note 6 of the consolidated financial statements.

The full list of related party transactions entered into by the Group is disclosed in note 27 of the consolidated financial statements.

As disclosed in note 27 in the consolidated financial statements, Phillite D UK owes Group £840,000 all of which is reflected as a receivable in the parent company accounts.

15 Subsequent events

All post balance sheet significant events are disclosed in note 28 of the consolidated financial statements.

16 Controlling party

No single individual has sole control of the Company.