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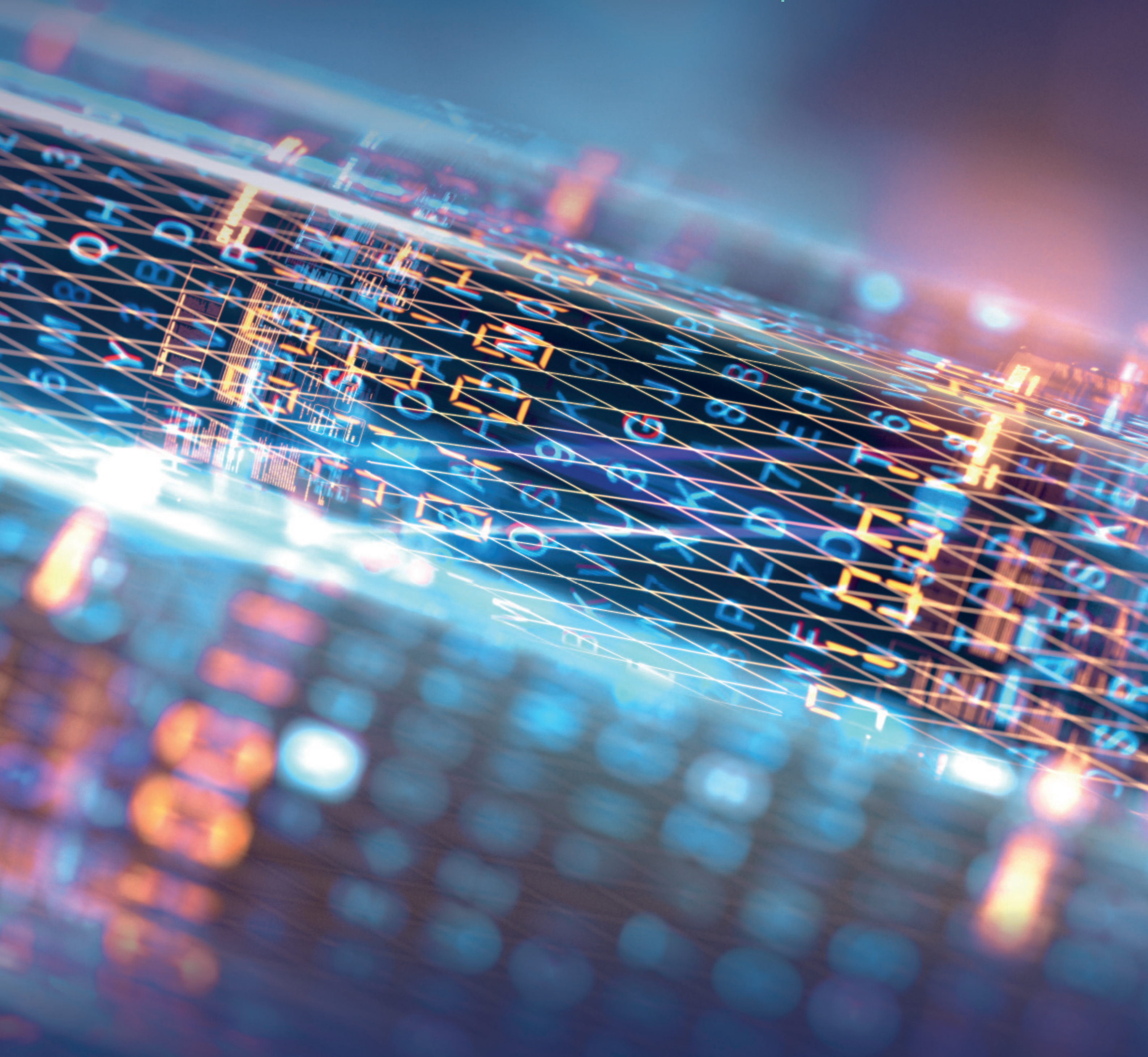

Oleeo PLC

Company Number 3813540

Report and Consolidated Financial Statements

For the year ended 31 July 2019

CONTENTS OF THE FINANCIAL STATEMENTS

COMPANY INFORMATION

Directors
Charles E H Hipps
David K Moore
David J Earland

Secretary and registered office
Paul Hipps, 5-7 Bridgeworks, The Crescent, London, SW19 8DR

Company number
3813540

Auditor
BDO LLP, 55 Baker Street, London, W1U 7EU

Nominated Adviser and Broker
Panmure Gordon (UK) Limited, One New Change, London, EC4M 9AF

Registrars
Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2019

The Directors present their strategic report with the audited consolidated and parent company financial statements for the year ended 31 July 2019.

Principal activity
The principal activity of the Oleeo PLC group of companies ('Oleeo' or the 'Company') is the provision of internet based recruitment software for the tracking and selection of applicants.

Financial and operating review
Revenues for the year are £10,683,086 up 7% on the £9,981,563 reported in the previous year while like-for-like operating profit of £546,453 compares with the £472,728 achieved last year. However the adoption of IFRS 15 has increased our reported operating profit to £592,142. As IFRS 15 has been adopted on a modified retrospective basis, the prior year comparatives have not been restated.

IFRS 15 is a new accounting standard on revenue recognition which replaced IAS18 and for which this was the first year of recognition for the group.

The increase in finance income - £75,114 compared with £17,776 in the previous year - results from a decision to move our cash deposits from "on call" to fixed term durations.

These two factors are reflected in the increase in the profits before tax of £667,256 compared with £490,504 last year.

Shortly before our 2018 year end we submitted claims for Research and Development expenditure incurred in the two years to 31 July 2016 and 2017 which have been accepted by HM Revenue & Customs and resulted in a tax refund of £308,838. The tax credit in our 2019 Consolidated Income Statement of £199,390 is, therefore, the net impact of the prior year refund less the tax payable on the profit for the year to 31 July 2019 of £109,448.

Whilst we intend to make further Research and Development claims in respect of the two years to 31 July 2018 and 2019 we anticipate that they will be for lower figures than the claims reflected in this year's accounts. We have not recognised any associated tax asset as, at the year end, we do not have reasonable assurance that any such claim will meet the relevant conditions and that such claim will be received.

The changes in Key Performance Indicators between the financial years 2018/2019 and 2017/2018 were as follows:

	2018/2019	**2017/2018**
	£	£
Sales per employee	95,385	86,796
Operating profit per employee	5,287	4,111

The increase in revenues reflects growth in new and ongoing contracts offset by known terminations, supplemented by higher change requests and online test revenues.

Meanwhile costs increased as we pursued our strategy of product innovation and putting customers at the heart of our business. This included an increase in product development costs and the first trials of our machine learning based solution. At the same time we continued to focus on looking after and delighting our customers. Ongoing efforts to continually improve service, were augmented by the re-deployment of resources into customer focused teams and the growth of our customer success resources and as a result during the year we saw an increase in customer satisfaction measured by our net promoter score.

Our focus remains on innovation, growth and the success of our customers and we expect to continue to invest particularly in product development resources and marketing. As a result, costs are expected to grow putting continued downward pressure on profitability. The new business team are buoyed by some new business success at the turn of the new financial year and positive prospects for the first half, however known reductions and an extremely competitive environment mean that the outlook for both sales and profits remain uncertain.

Principal risks and uncertainties

Commercial and operational risk
Competitive pressure and economic instability is a continuing and growing risk for the Company. The Company manages this risk by developing leading edge products capable of driving significant transformation and value within our clients, through high levels of customer service, by managing resource levels and pursuing opportunities for continuous improvement.

The business is dependent upon clients' ability to safely access data held on our servers and satisfy data protection legislation. In order to ensure that service availability is not affected by a breakdown in power supplies or by other physical hazards our servers are housed offsite in secure facilities on the premises of a specialist provider of such facilities. Third party security experts are also regularly engaged to advise on data security and to ensure the company has appropriate defences against "hacking". In addition, we maintain a rigorous, ISO27001 accredited, security management system.

Financial risk
The main risk arising from the Company's activities is currency risk. This is monitored by the Board of Directors and was not considered to be significant at the balance sheet date.

Further information in relation to financial risk can be found in note 19 to the financial statements.

Dividends and share buybacks
The Directors are pleased to recommend the payment of a dividend of 3.5p per share, which is the same as that paid in respect of the previous year. This dividend will be subject to the approval of shareholders at the Annual General Meeting to be held at 5-7 Bridgeworks, The Crescent, London SW19 8DR at 10.30 am on 3 December 2019 and, if approved, will be payable on 6 December 2019 to shareholders on the register as at 15 November 2019.

The Board will be seeking at the Annual General Meeting the extension of the authority granted last year to make purchases of ordinary shares. In assessing whether in practice to use this authority, the Board will take into account all relevant factors including the effect on earnings per share and assets per share ratios and other benefits to shareholders.

This strategic report was approved on 7 November 2019 by the Board.

Charles E H Hipps
Chairman & CEO, Oleeo

CORPORATE GOVERNANCE CODE

The Directors are committed to delivering high standards of Corporate Governance and ensuring its effectiveness to maximise shareholder value. The Directors acknowledge the principles set out in the Quoted Companies Alliance Corporate Governance Code (the "QCA" Code). The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". We set out below a summary of how the Group seeks to comply with the key provisions of the Code. Further, more detailed compliance is provided in the Corporate Governance section of our website.

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

All Oleeo employees are motivated by two goals – highly satisfied & retained clients and the acquisition and smooth on-boarding of new clients – achieved through the development, implementation and ongoing support of innovative technology to enable our clients to recruit high quality and diverse new hires.

2. Seek to understand and meet shareholder needs and expectations

The Board seeks to meet the objectives of both the founding shareholders and the minority shareholders through the development of the business. The Company's AGM is held in December each year and gives all shareholders the opportunity to communicate directly with the Board. Participation of all shareholders is encouraged. The Company strives to provide a clear, balanced and comprehensive level of information and written material. The Company maintains a corporate website which contains regulatory and other information. The Chairman is responsible for Shareholder liaison. There have been no significant actions requested by shareholders during recent engagement. The Company offers its larger shareholders face-to-face meetings to present and discuss performance and other matters, and obtain any feedback. There is a reporting schedule to ensure that matters of importance affecting the Group are communicated to investors.

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

Oleeo's mission is to help our clients create great diverse teams, magnifying the performance and positive impact on the world of the people employed by them.

Our policy is to conduct our business responsibly, with integrity, and with respect, for the interests of all those affected by our operations. We aim to work towards both a sustainable community and sustainable development. We believe that our activities should generate economic benefits; create opportunities for an enhanced quality of life; positively influence the communities in which we operate; and respect the environment.

Our goal is to operate our professional activities and the management of our organisation in a way that enables all people to realise their potential and improve their quality of life while protecting and enhancing the earth's natural capital.

We are therefore committed to continually improve the integration of sustainability into our working environment and business processes, and helping our clients and partners do the same.

Employees
Our people are our key asset and the Group is committed to developing its employment policies in line with best practice and providing equal opportunities for all, irrespective of gender, age, marital status, sexual orientation, ethnic origin, religious belief or disability. Full and fair consideration is given to applications for employment from people with disabilities having regard to their aptitudes and abilities. Due consideration is also given to the recruitment, promotion, training and working environment of all staff including those with disabilities.

Customers
Our deep technology expertise and our highly developed portfolio of services means we can address the changing needs of our clients.

Customers' successful operations and wellbeing are essential to the performance of the Company and any feedback is discussed as appropriate and used to improve and enhance the customer service proposition.

In all cases our customers have selected us over our competitors and we recognise that this decision is based on their faith in our ability to meet or exceed their expectations. We monitor all aspects of our customer performance and this is continually fed back to all of our employees.

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

The Board is responsible for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board is responsible for the identification and evaluation of major risks faced by the Group and for determining the appropriate course of action to manage those risks.

The Board identifies and appraises risks, and maintains control and direction over appropriate strategic, financial and organisational structure matters, with formally defined lines of responsibility and delegation of authority.

Internal controls for the assurance and the reliability of the financial information used within the business and the safeguarding of the assets are the responsibility of the Directors. However, as with any internal controls, they can only provide reasonable and not absolute assurance with respect to the preparation of the financial information and the safeguarding of the assets. In fulfilling these responsibilities, the Board has reviewed the effectiveness of the system of internal financial control. The Directors have established procedures for planning and budgeting and for monitoring, on a regular basis, the performance of the company.

The Board is responsible for the Group's system of internal controls and has established a framework of financial and other material controls that is periodically reviewed for its effectiveness and which includes;

- Close management of the day-to-day activities of the Group by the Directors
- An organisational structure with defined levels of responsibility
- A comprehensive annual budgeting process and detailed monitoring of performance against budget
- Central control over key area such as capital expenditure and banking facilities.

The Board obtains assurance that risk management and related control systems in place are effective by reviewing the risks faced by the business and monitoring the activities of those responsible for the Company's control systems.

There have been no changes in the risks faced by the company during the last year.

The Board has taken and will continue to take appropriate measures to ensure that the chances of financial irregularities occurring are reduced as far as reasonably possible by improving the quality of information at all levels in the Group, fostering an open environment and ensuring that financial analysis is rigorously applied.

Competitive pressure and economic instability is a continuing risk for the Company. The Company manages this risk by providing leading edge products and high levels of customer service, by managing resource levels and pursuing opportunities for continuous improvement. The business is dependent upon clients' ability to safely access data held on our servers. In order to ensure that this is not affected by a breakdown in power supplies or by other physical hazards our servers are housed offsite in secure facilities on the premises of a specialist provider of these services. Third party security experts are also regularly engaged to advise on data security.

CORPORATE GOVERNANCE CODE

(continued)

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

The Chairman determines where responsibility lies within the Company for the delivery of key outputs. The Board has a collective responsibility and legal obligation to promote the long term success of the Company.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budget, expenditure and appointment of senior resources. It is accountable to shareholders for the performance and activities of Oleeo Plc. The Board is comprised of three full time executive Directors, including the Chairman.

The Directors, none of whom are considered to be independent, are expected to devote such time as is necessary for the proper performance of their duties.

Due to the size of the Company and its financial affairs and operations the appointment of a Chairman and the separation of the roles of the Chairman and CEO is not considered practical or appropriate at the present time. However, this matter is discussed from time to time amongst the Board and with the Company's nominated adviser.

The following shows Directors' attendance at scheduled Board meetings in the year to 31 July 2019:

Charles Hipps	11
David Moore	11
David Earland	11

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

Charles Hipps, the founder of Oleeo, graduated from Oxford University with a degree in Engineering, Economics and Business Management and worked initially as a management consultant with Booz Allen Hamilton in Europe, Asia and the US supporting leading global organisations in developing their business strategies before founding Oleeo in 1995. As Chairman and CEO, Charles is responsible for the day-to-day running and the strategic development of Oleeo as well as shareholder liaison.

David Moore is Technical Director at Oleeo and has been with the Company since its inception. He is in charge of the day-to-day running of the Company's technology and for designing the systems that are used by clients and ensuring a smooth transition from development through to implementation.

David Earland is the Operations Director for Oleeo with 25 years IT operational leadership and strategic level project/consultancy management experience. David's responsibilities cover the delivery of Oleeo's professional services, project management, consultancy, implementation consultancy, quality control and client/candidate support services.

Further details of the Directors and their experience and skills is set out on the Company's website at ***https://oleeo.com/investor-relations/***.

The Board believes that the experience and knowledge of each of the Directors is appropriate for the Company's current operations and strategy and gives them the ability to constructively challenge strategy and scrutinise performance.

The Directors are collectively responsible for promoting the success of the Company and in furtherance of their duties have access to the advice and service of the Company Secretary and are permitted to take independent professional advice and to pursue relevant training.

The Board and the Leadership Team are supported on compliance matters by both internal and external resources. Externally, the Company utilises legal counsel, regulatory consultants and other experts where it is deemed appropriate. In addition, the Directors have direct access to the advice and services of the Director of Finance and the Company Secretary. During the year, the Board obtained advice regarding the proposed de-listing of the Company, as detailed in Future Development contained in the Directors' Report.

The Company's external advisers are set out on the Company's website at ***https://oleeo.com/investor-relations/registrar-adviser***.

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

The Board sets objectives annually and reviews its performance and membership regularly. The Company undertakes annual monitoring of personal and corporate performance. Responsibility for assessing and monitoring the performance of the Technical and Operations Directors (both of whom are on the Board of Directors) lies with the Chairman.

Due to the size of the Company and its financial affairs and operations the appointment of Non-Executive Directors is not considered practical or appropriate at the present time. However, this matter is discussed from time to time amongst the Board and with the Company's nominated adviser.

Directors are able to ensure that any concerns they raise about the running of the Company or a proposed action are recorded in the Board minutes. If an Executive Director did have any such concerns on resignation the Chairman would invite that Director to provide a written statement for circulation to the Board.

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

As a Board, we recognise that we are accountable to shareholders for good corporate governance, and we seek to promote standards of governance throughout the Group that are recognised and understood by all. This positive culture is critical to our strategy. The Board promotes good corporate governance in the areas of risk management and accountability as a positive contribution to business prosperity. The Board endeavours to apply corporate governance principles in a sensible and pragmatic fashion having regard to the size and circumstances of the business. The key objective is to enhance and protect shareholder value.

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We strive to create a safe and healthy working environment for the wellbeing of our staff and a trusting and respectful atmosphere, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company. We continue to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

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

The Company is headed by an effective Board which leads and controls the Group. The Board comprises three Executive Directors, including the Chairman who also acts as the Group's CEO. Directors submit themselves for re-election every three years by rotation in accordance with the Articles of Association. The Board is responsible for formulating, reviewing and approving the Company's strategy, budget, expenditure and appointment of senior resources. It is accountable to shareholders for the performance and activities of Oleeo Plc.

CORPORATE GOVERNANCE CODE

(continued)

Roles of the Chairman and CEO

Role of the Chairman

The Chairman:

- sets the Board agenda;
- ensures that the Directors receive accurate and timely information and that adequate time is available for discussion of all agenda items, in particular strategic issues;
- makes sure that all Directors are able to contribute and make an effective contribution;
- maintains a constructive relationship between the Executive Directors;
- has primary responsibility for leading the Board;
- liaises with shareholders and key stakeholders; and
- chairs Board meetings.

Role of the CEO

The Chairman also acts as the Group's CEO. The CEO has responsibility for all operational matters which include the implementation of strategy and policies approved by the Board. In addition, he has responsibility for capital expenditure as well as development of the annual operating plan and capital expenditure budget.

Board decisions and activity during the year

The Chairman is responsible for ensuring the Directors receive accurate and timely information. The Director of Finance compiles the Board papers which are circulated to the Directors prior to the meetings. The Company Secretary also ensures that any feedback or suggestions for improvement on Board papers is fed back to management and ensures input is gathered from all Board members on matters that should be included for consideration at meetings. The Company Secretary provides minutes of each meeting and every Director is aware of the right to have any concerns minuted.

In addition to the board meetings there is regular communication between Executive Directors, including where appropriate updates on matters requiring attention prior to the next scheduled board meeting.

The Board receives and reviews on a regular basis financial and operating information appropriate to the Directors being able to discharge their duties. An annual budget is approved by the Board and a revised forecast is prepared at the half year stage. Financial performance indicators are monitored monthly against budget.

Whilst the Company's Director of Finance is not on the Board, he participates in aspects of Board meetings relating to financial matters.

Board meetings

The Board has a programme of at least 9 meetings for each financial year. For all board meetings, an agenda is established and papers circulated in advance so that all Directors can give due consideration to the matters in hand.

Audit committee

In view of the current size of the Company and its Board, the Board believe that the establishment of an audit committee or an internal audit department would be inappropriate. However, the auditors have direct access to the Chairman. Accordingly, there are no terms of reference for an audit committee.

Remuneration committee

The Board currently acts as the remuneration committee, with the Executive Directors determining remuneration other than their own, and the details of the Directors' emoluments being set out in the annual report. It is the Company's policy that the remuneration of Directors should be commensurate with services provided by them to the Company.

Salary levels and benefits of employees other than Board directors are determined by the Chairman in conjunction with the Technical and Operations directors (who are also on the Board of Directors) and the Head of HR as appropriate. The salary and benefits of the Technical and Operations directors are determined by the Chairman in consultation with the Head of HR. Accordingly, there are no terms of reference for a remuneration committee.

Nomination committee

In view of the current size of the Company and its Board, the Board believe that the establishment of a nomination committee would be inappropriate. Accordingly, there are no terms of reference for a nomination committee. Nominations for appointment to the Board will be considered by the full Board.

Internal control

The Board identifies and appraises risks, and maintains control and direction over appropriate strategic, financial and organisational structure matters, with formally defined lines of responsibility and delegation of authority. Internal controls for the assurance on the reliability of the financial information used within the business and the safeguarding of the assets are the responsibility of the directors. However, as with any internal controls, they can only provide reasonable and not absolute assurance with respect to the preparation of the financial information and the safeguarding of the assets. In fulfilling these responsibilities, the Board has reviewed the effectiveness of the system of internal financial control. The Directors have established procedures for planning and budgeting and for monitoring, on a regular basis, the performance of the Company.

The Board is responsible for the Group's system of internal controls and has established a framework of financial and other material controls that is periodically reviewed for its effectiveness. The Board has taken and will continue to take appropriate measures to ensure that the chances of financial irregularities occurring are reduced as far as reasonably possible by improving the quality of information at all levels in the Group, fostering an open environment and ensuring that financial analysis is rigorously applied. Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

The key procedures of financial control are as follows:

- Control Environment - Oleeo has a clear organisational structure with well-defined lines of responsibility and delegation of appropriate levels of authority.
- Risk Management - The Board reviews regularly the business strategy and plans.
- Financial Reporting - There are comprehensive budgets and forecasts with monthly reporting of actual results against targets, approved by the board and reviewed on a regular basis.
- Control Procedures and Monitoring Procedures - These ensure authorisation levels and procedures and other systems of internal financial controls are documented and reviewed on a regular basis.

The Board also ensures the maintenance of proper records; evaluation, approval procedures and risk assessment for major capital expenditure; regular reporting and monitoring of projects; and close involvement of the Managing Director in the day-to-day operational matters of the Company.

The Board consider the size of the Company and the close involvement of Executive Directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary.

Financial control and reporting

There is a comprehensive Group wide system of planning and budgeting with frequent reporting of results to each level of management as appropriate, including monthly reporting to the Board. The Board and the Leadership Team are provided with monthly detailed financial reports and reports from each Departmental Head.

CORPORATE GOVERNANCE CODE

(continued)

Matters reserved for the Board

The Board is responsible for reviewing, formulating and approving the Group's strategy, budgets and corporate actions and oversee the Group's progress towards its goals. The schedule of matters reserved for board approval includes:

- Strategy and business plans, including annual budget;
- Structure and capital including dividends;
- Financial reporting and controls;
- Internal controls on risk management and policies;
- Significant contracts and expenditure;
- Communication with shareholders;
- approving any changes to capital, constitution or corporate structure;
- approving the annual and half-yearly accounts;
- the approval and monitoring of the internal financial control system, risk management, health and safety and anti-bribery policies and procedures;
- Board appointments and succession planning;
- approving transactions of significant value or major strategic importance; and
- remuneration matters, including the introduction of share and incentive schemes, and the general framework of remuneration.

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

Communication with shareholders and the management structure of the Company are included in Sections 2 and 4 above respectively and further details are set out on the Company's website.

As described in Section 9 there is no separate Audit or Remuneration Committee and as there has been no previous requirement for an Audit Committee report or Remuneration Committee report (or equivalent report) no such reports are available.

The Directors receive written reports from the auditors at various stages of the audit process, covering the scope of work and key findings. These are fully discussed and any issues are addressed. The Board carefully monitor any issues relating to auditor independence.

This Corporate Governance report was approved by the Board on 7 November 2019.

Charles E H Hipps
Chairman & CEO, Oleeo

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2019

The Directors present their report with the audited consolidated and parent Company financial statements of the Group for the year ended 31 July 2019.

Directors

The Directors of the Company during the year and up to the approval of the financial statements were:

		Ordinary shares of £0.001	
		2019	**2018**
Charles E H Hipps	Chairman & CEO	5,404,500	5,404,500
David K Moore	Technical Director	5,100	3,100
David J Earland	Operations Director	11,400	5,400

David J Earland retires by rotation and being eligible offers himself for re-election. Transactions with directors and directors' interests are disclosed in notes 6 and 20 to the financial statements.

Dividends

The Directors recommend a final dividend of 3.5p (2018 - 3.5p) per share. No interim dividend was paid (2018 - nil).

Directors' indemnities

The group has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Financial instruments

Details of financial instruments and their associated risks and risk management objectives are given in note 19 to the financial statements.

Research & Development

The Group continues to develop the software and technology within the business and any qualifying expenditure is capitalised in accordance with applicable accounting standards.

Acquisition of own shares

The Board will be seeking at the Annual General Meeting the extension of the authority granted last year to make purchases of ordinary shares. In assessing whether in practice to use this authority, the Board will take into account all relevant factors including the effect on earnings per share and assets per share ratios and other benefits to shareholders.

During the year the company purchased 16,500 (2018 - nil) of its own shares at a nominal value of £16.50 (2018 - nil) and for a total consideration of £26,400 (2018 - nil).

Post Balance Sheet Events

The Directors have no post balance sheet events to disclose.

Future Developments

The Board has for some time been reviewing the benefits to, and burdens on, the Company and Shareholders of the continuing admission of its shares on AIM. The Board, having conducted this review, has concluded that cancellation of such admission is in the best interests of the Company and its Shareholders as a whole. Accordingly the Board intends to convene a general meeting to seek shareholder approval to terminate admission to AIM and explain their reasons for reaching that conclusion in a circular to shareholders to be dispatched shortly following the publication of these accounts.

In addition the Board recognises that some Shareholders may not be able or willing to continue to hold Ordinary Shares following the cancellation of the admission to AIM. Accordingly the Company has arranged to provide Shareholders who do not wish to remain as Shareholders after the cancellation of admission to AIM has taken place with an opportunity to realise their investment in the Company by way of a tender offer, pursuant to which the Company will, purchase in the shares of such shareholders. The terms of such a tender offer are intended to be set out in the circular to shareholders convening the general meeting to approve the cancellation of admission to AIM.

Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 profit or loss for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to the Auditor

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

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

Website publication

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

Auditor

The Auditor, BDO LLP is deemed to be reappointed at the Annual General Meeting to be held on 3 December 2019.

The Directors' report was approved by the Board on 7 November 2019

P Hipps
Secretary

Date 7 November 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OLEEO PLC

Opinion
We have audited the financial statements of Oleeo plc (the 'parent company') and its subsidiary (the 'group') for the year ended 31 July 2019 which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2019 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. This matter was 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 this matter.

Key audit matter	How we addressed the matter in our audit
Revenue recognition & IFRS 15 adoption The group generates revenues from software licences for the provision of e-recruitment software and related implementation and professional services. The accounting policy in respect of revenue recognition is described on pages 22-25 in note 2 to the financial statements. On adoption of IFRS 15 the group have determined that implementation and associated support and licence fees are one performance obligation. The company has deemed this is the case for complex implementations which are determined as those where the implementation fee is greater than £10,000. For such implementations revenue is deferred until satisfaction of the performance obligation, and revenue is then recognised over the remaining licence period. The group has also determined that if professional service fees are considered to fundamentally enhance the existing system, the revenue is recognised rateably over the remaining term of the contract. The associated revenue is recognised once the performance obligation is met and the system has gone live, from which point the implementation and support fees are released over the remaining course of the contract. Up to the point of the performance obligation being met the group has recognised and deferred directly associated costs with these contracts. For the modified retrospective transitional calculation, contracts have been reviewed from the prior 3 years, being the standard length of an original support contract, to evaluate the impact on transition of IFRS 15 adoption. In view of the judgements involved and the significance of this matter to the determination of group revenue we consider this to be an area giving rise to significant risk of material misstatement in the financial statements.	We have critically assessed the appropriateness of the revenue recognition policies through our testing and considered whether they comply with the accounting standard, and have been applied consistently and free from bias. We tested management's judgements over the performance obligations in progress across the year end and the associated level of revenue recognition by: • Performing testing over the IFRS 15 transitional adjustment, and ensuring respective deferred contract costs recognised are directly attributable to the contracts. We also tested the release of these costs in line with the remaining contract term after the project has gone live. • We have tested management's assessment that professional service revenue is deferred over the licence period where enhancement to the software has taken place by vouching to contracts and agreeing that the work performed constitutes an enhancement. • Review of management's assessment that projects below £10,000 should be excluded from the transitional adjustment. • We have critically assessed management's key judgement that projects are complex and therefore one performance obligation if implementation revenue is greater than £10,000 by reviewing a sample of the client contracts and agreeing whether the work carried out was complex. • Testing the completeness of deferred revenues by selecting a sample of sales recorded during the year and challenging by vouching amounts to contracts whether appropriate amounts have been deferred. • Selecting a sample of projects where revenues have been deferred and vouching to contract to confirm the accurate treatment of these items in line with IFRS 15. • We have tested the transition adjustment made under the modified retrospective approach and the added disclosure in relation to IFRS 15 by vouching the underlying workings to contracts to ensure their accuracy. *Key observations* Based on our procedures, we did not identify any material misstatements of revenue.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

In the current year, our basis for materiality includes a consideration of both 5% of profit before tax and 2% of net assets (FY18: based on 1.5% of revenue). We have used this approach to materiality on the grounds that profit before tax is of direct interest to shareholders. Equally given the market capitalisation of the group is in line with its net assets held, net assets are also of direct interest to shareholders. This blended approach ensures that both key benchmarks for users of the financial statements are factored into the materiality applied.

We determined materiality for the financial statements as a whole to be £155,000 (2018: £150,000). Performance materiality has been set at £100,000 (2018: 100,000) which is 65% of materiality and was based upon on our overall risk assessment and the level of mistatements in the past. Performance materiality means the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. We agreed with the audit committee that we would report to them misstatements identified during our audit above £6,000 (2018: £5,000). Parent company and component materiality were set at £140,000 (2018: £135,000), with performance materiality of £91,000 (2018: £87,000) and trivial of £5,000 (2018: £5,000).

An overview of the scope of our audit

The parent company is registered in the UK and there is an insignificant component based in the US, after parent company recharges are eliminated. We completed a full scope audit for the parent company and performed audit work on the US entity necessary for our opinion on the consolidated financial statements. The audit team obtained an understanding of the internal control environment related to the financial reporting process and assessed the appropriateness, completeness and accuracy of group journals and other adjustments performed on consolidation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Mark Cardiff (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

7 November 2019

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

CONSOLIDATED INCOME STATEMENT

For the Year Ended 31 July 2019

For the Year Ended 31 July 2019	Note	2019 £	2018 £
Revenue	3	**10,683,086**	9,981,563
Total administrative expenses		**(10,090,944)**	(9,508,835)
Operating profit	4	**592,142**	472,728
Finance income		**75,114**	17,776
Profit on ordinary activities before taxation		**667,256**	490,504
Income tax credit/(charge)	8	**199,390**	(98,233)
Profit for the year		**866,646**	392,271
Earnings per share	10		
Basic		**11.37p**	5.16p
Diluted		**11.30p**	5.10p

The notes on pages 23 to 40 form part of these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Year Ended 31 July 2019

	2019 £	2018 £
Profit for the year	**866,646**	392,271
Other comprehensive income		
Items that may be reclassified into profit or loss		
Exchange differences on translation of foreign operations (net of tax)	**10,251**	7,597
Other comprehensive income for the year	**10,251**	7,597
Total comprehensive income for the year and attributable to the owners of the parent	**876,897**	399,868

The notes on pages 23 to 40 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Year Ended 31 July 2019

As at 31 July 2019	Note	2019 £	2018 £
Assets			
Non-current assets			
Property, plant and equipment	11	**235,325**	200,619
Trade and other receivables	12	**46,515**	-
Total Non-current assets		**281,840**	200,619
Current assets			
Trade and other receivables	12	**2,620,588**	1,712,532
Short term investments	19	**7,650,000**	7,750,000
Cash and cash equivalents	13	**4,022,470**	3,503,758
Total current assets		**14,293,058**	12,966,290
Total assets		**14,574,898**	13,166,909
Equity			
Issued capital	15	**7,628**	7,620
Share premium	16	**1,713,256**	1,690,158
Capital redemption reserve	16	**725**	708
Translation reserve	16	**16,660**	6,409
Retained earnings	16	**8,639,924**	8,414,702
Total equity		**10,378,193**	10,119,597
Liabilities			
Non-current liabilities			
Deferred tax	8	**38,007**	30,148
Liabilities			
Current liabilities			
Trade and other payables	14	**4,136,486**	2,977,024
Corporation tax		**22,212**	40,140
Total current liabilities		**4,158,698**	3,017,164
Total liabilities		**4,196,705**	3,047,312
Total equity and liabilities		**14,574,898**	13,166,909

The financial statements were approved by the Board of Directors and authorised for issue on 6 November 2019. They were signed on its behalf by:

C E H Hipps
Director

The notes on pages 23 to 40 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 July 2019

For the Year Ended 31 July 2019	Share capital £	Share premium £	Capital redemption reserve £	Translation reserve £	Retained earnings £	Total £
Balance at 1 August 2017	7,586	1,649,024	708	(1,188)	8,273,990	9,930,120
Comprehensive income						
Profit for the year	-	-	-	-	392,271	392,271
Other comprehensive income	-	-	-	7,597	-	7,597
Total comprehensive income for the year	-	-	-	7,597	392,271	399,868
Transactions with owners						
Issue of shares	34	41,134	-	-	-	41,168
Dividends paid	-	-	-	-	(265,510)	(265,510)
Share based payments	-	-	-	-	13,951	13,951
Balance at 31 July 2018	7,620	1,690,158	708	6,409	8,414,702	10,119,597
Transition to IFRS 15 (Note 2)	-	-	-	-	(364,832)	(364,832)
Balance 1 August 2018	7,620	1,690,158	708	6,409	8,049,870	9,754,765
Comprehensive income						
Profit for the year	-	-	-	-	866,646	866,646
Other comprehensive income	-	-	-	10,251	-	10,251
Total comprehensive income for the year	-	-	-	10,251	866,646	876,897
Transactions with owners						
Issue of shares	25	23,098	-	-	-	23,123
Dividends paid	-	-	-	-	(266,702)	(266,702)
Share based payments	-	-	-	-	16,510	16,510
Buy back of shares	(17)	-	17	-	(26,400)	(26,400)
Balance at 31 July 2019	**7,628**	**1,713,256**	**725**	**16,660**	**8,639,924**	**10,378,193**

The notes on pages 23 to 40 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 July 2019

For the Year Ended 31 July 2019	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		**866,646**	392,271
Adjusted for:			
Depreciation	11	**128,064**	112,570
Foreign exchange on revaluation of fixed assets		**946**	-
Share based payments		**16,510**	13,951
(Increase) in receivables		**(682,491)**	(258,425)
Increase/(decrease) in payables		**522,550**	(206,543)
Finance income		**(75,114)**	(17,776)
Corporation tax (income)/expense		**(199,390)**	98,233
Loss on disposal of fixed assets		-	10,637
		577,721	144,918
Taxation received/(paid)		**189,321**	(170,501)
Net cash inflow/(outflow) from operating activities		**767,042**	(25,583)
Cash flows from investing activities			
Interest received		**75,114**	17,776
Purchase of property, plant and equipment	15	**(163,716)**	(152,978)
Short term investments		**100,000**	(7,750,000)
Net cash inflow/(outflow) from investing activities		**11,398**	(7,885,202)
Cash flows from financing activities			
Proceeds from issue of shares		**23,123**	41,168
Purchase of own shares		**(26,400)**	-
Equity dividends paid	9	**(266,702)**	(265,510)
Net cash outflow from financing activities		**(269,979)**	(224,342)
Exchange differences on translation of foreign operations		**10,251**	7,598
Increase/(decrease) in cash in the year			
Cash and cash equivalents at beginning of year		**518,712**	(8,127,529)
		3,503,758	11,631,287
Cash and cash equivalents at end of year		**4,022,470**	3,503,758

The notes on pages 23 to 40 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 July 2019

1. Nature of Operations

Oleeo PLC (the "Company") is a company registered in England and Wales. The consolidated financial statements for the year ended 31 July 2019 comprise the Company and its subsidiary (together referred to as the "Group").

The principal activity of the Group is the provision of internet based recruitment software for the tracking and selection of applicants. The Group's registered office and principal place of business is 5-7 Bridgeworks, The Crescent, London, SW19 8DR.

2. Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. They have all been applied consistently throughout the year and the preceding period with the exception of those listed below.

Statement of compliance
The financial statements of the Company have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union. They have also been prepared with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Adoption of new and revised standards

a) *New Standards, Interpretation and amendments effective from 1 August 2018*

(I) *IFRS 15 – Revenue from contracts with customers*
As of 1 January 2018, IFRS 15 'Revenue from contracts with customers' has come in to effect. The new standard replaces IAS 18 'Revenue'. It establishes principles for recognising, measuring and reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Under IFRS 15, revenue from contracts with customers is recognised based on a five-step model and the transaction price is allocated to each distinct performance obligation on the basis of the relative stand-alone selling prices. Revenue is no longer recognised upon the transfer of risks and rewards but when performance obligations are satisfied by transferring control of a promised good or service to a customer. The standard also provides guidance on the treatment of any costs to obtain and/or fulfil a contract that may be recognised as assets.

The Group has adopted IFRS 15 effective 1 August 2018 applying the modified retrospective application and applied IFRS 15 on all contracts. Following the adoption of the new standard, the Group has updated its accounting policies for revenue recognition detailed further in this note.

Revenue
The main impact of the introduction of IFRS 15 has been on the recognition of implementation revenues in connection with the fulfilment of a contract that under IAS 18 were recognised based on an estimate of the stage of completion of the project. Under IFRS 15 the Group considers that where Oleeo's software requires complex configuration, the sale of software licences and the associated implementation services form one performance obligation that is performed over time. In such instances, the Group considers that the contractual obligations of providing the implementation services as well as the hosting and support of the licenced software are incorporated into a combined output. As a consequence, implementation revenues are now recognised rateably from the period of system go live to the end of the minimum contractual term as are the software licence fees from subscription and hosting services.

Payments from customers for implementation projects are typically spread over the period of implementation and are based on key milestones such as contract signature, user acceptance testing and go live. As a consequence, a contract liability is created as invoices are raised in advance of completing the performance obligations from which point revenue is recognised and the contract liability reduced. Similarly, payments for software licence fees are usually made in advance of performance obligation being met and hence a contract liability is created which is then reduced as performance obligations are met and income is recognised.

Costs
The cost to fulfil a contract with a customer that are directly related to the project implementation are now deferred on the balance sheet as Deferred Contract Costs until the contractual performance obligation is met, at which point the cost is amortised rateably from the period of system go live to the end of the minimum contractual term in line with the revenue recognition. In determining the costs to be included as contract fulfilment costs, the Group includes the costs of the project implementation resource that is calculated by applying a daily cost rate to the time booked to the project.

Impact
The transition effect of the introduction of the new revenue recognition standard is accounted for by recognising the cumulative effect of initially applying the standard as an opening balance sheet adjustment to equity at 1 August 2018 without any adjustment to prior year comparative information. The cumulative effect of the policy change is a reduction in equity of £364,832 (net of tax). This is comprised of:

– a deferral of previously recognised revenue of £636,912; and
– a deferral of previously recognised contract fulfilment costs of £272,080.

The amount by which each financial statement line item is affected in the current year as a result of the entity adopting IFRS 15 are:

– a decrease in revenues of £142,182;
– a decrease in contract fulfilment costs of £187,871;
– an increase in profit of £45,689;
– an increase in corporation tax expense of £8,681;
– an increase in basic earnings per share of 0.49p;
– an increase in diluted earnings per share of 0.48p;
– an increase in trade and other receivables (deferred contract costs) of £452,167; and
– an increase in deferred income of £769,911.

(II) *IFRS 9 – Financial Instruments*
As of 1 August 2018, the Group has adopted IFRS 9 ‘Financial Instruments. The standard requires that Financial Assets are recorded at cost less a provision for impairment and introduces a new model for the recognition of impairment losses – the Expected Credit Loss (ECL) model. Essentially a provision is required for expected credit losses on the receivable over a period.

Having reviewed the requirements of the standard the Directors have concluded that the impact to the business arising from this standard is on the measurement of its Financial Assets, limited to Trade Receivables. The Directors have assessed the potential impairment under the ECL approach and concluded that any impairment allowance was not material and so no adjustment has been made as at 1 August 2018.

In reviewing the impact of the standard on the Group the Directors have taken into account that:
– The Group contracts mainly with well-known customer brands often blue chip companies
– Customers are primarily based in the UK and the US with a small few in Western EU countries
– Historically the Group have very rarely suffered credit losses as a result of customers failing to settle amounts due resulting from insolvency or any kind of payment restrictions.

Specifically, the trade receivables of the Group as at 31 July 2019 have been reviewed and the Directors do not believe that any impairment would be material.

b) *New Standards, Interpretation and amendments not yet effective*

The Group has not adopted any standards or interpretations in advance of the required implementation dates. The following standards and interpretations to published standards are not yet effective:

IFRS 16 Leases (mandatory effective date 1 January 2019)
Oleeo will adopt IFRS 16 with effect from 1 August 2019 which will result in the Group recognising right of use assets and lease liabilities for all contracts that are or contain a lease. The Board has decided it will apply the modified retrospective adoption method in IFRS 16 and therefore will only recognise leases on the Balance Sheet as at 1 August 2019. In addition it has decided to measure the right of use assets by reference to the measurement of the lease liability on that date. This will ensure there is no immediate impact to the net assets on that date.

At present, the Group only has leases in respect of the office accommodation that it occupies and accordingly these leases will come onto the balance sheet at the adoption date. From that date, instead of recognising its lease payments as an operating expense, the Group will recognise interest on its lease liabilities and amortisation on its right-of-use assets. The Directors anticipate that the adoption of this standard will have a neutral impact on the net assets of the Group at the time of adoption, however, it will result in a material increase in gross assets and gross liabilities. The Group has not yet quantified the impact on future results.

Basis of preparation
The financial statements are presented in British pounds.

The consolidated financial statements have been prepared on a historical cost basis.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Going concern
After making enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements (save where the modified retrospective basis has been used for the adoption of IFRS 15) and have been applied consistently by Group entities.

Basis of consolidation
The consolidated financial statements incorporate the results of Oleeo Plc and its subsidiary undertaking for the period to 31 July 2019. Intercompany transactions and balances between the parent and subsidiary are therefore eliminated in full.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the Investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Revenue
The group generates revenues from the provision of e-recruitment software from the following sources; software licences, software implementation, professional services and psychometric tests. Revenues are recognised net of any tax collected on behalf of local tax authorities.

The Group recognises revenues in accordance with IFRS 15 Revenue from Contracts. Under IFRS 15, revenue from contracts with customers is recognised based on a five-step model and the transaction price is allocated to each distinct performance obligation on the basis of the relative stand-alone selling prices.

The 5 step process the Group considers for revenue recognition under IFRS15 is:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract; and
- Recognise revenue when a performance obligation is satisfied by transferring a promised good or service to a customer.

Under IFRS 15 the Group considers that where Oleeo's software requires complex configuration, the sale of software licences and the associated implementation services form one performance obligation that is performed over time. As a consequence the contractual obligations of providing complex implementation services as well as the hosting and support of the licenced software are incorporated into a combined output. The Group considers that the completion of the go live performance obligation is the point at which income recognition can commence because it at this point that the customer benefits from the combined output of the contract, namely implementation services, system hosting, usage and support. Accordingly, implementation revenues are now recognised rateably from the period of system go live to the end of the minimum contractual term in line with the licence fees from subscription and hosting services.

Software licence
Software licenses are granted on a hosted / subscription basis combined with the support services, so that effectively a service over time is provided. Revenue from such arrangements is recognised rateably from the period of system go live to the end of the minimum contractual term. In some cases, licence fees include an allowance for professional services work or security related matters. In these instances the revenue associated with the additional services is deferred until such time as the services have been performed or the obligation has lapsed.

Software implementation
Revenue in respect of software implementation income that is sold together with the license fee for the hosting and support is recognised rateably from the period of system go live to the end of the minimum contractual term. For contracts where the implementation revenues are less than £10,000, the accounting treatment is to recognise such revenues as the implementation performance obligations are completed and not over the minimum contractual term. This is because the Directors consider implementation services of less than £10,000 do not result in a significant integration to or modification of the licenced software and hence do not form a single performance obligation to be combined with the provision of the and hosting and support of the licenced software.

Professional services
Professional services revenue represents fees charged to clients for training, configuration changes and additional functionality. Revenue is recognised upon completion of the service when the right to consideration is earned. If requested additional functionality is considered to fundamentally enhance the system, the revenue is recognised rateably over the remaining term of the contract.

Psychometric tests
Test revenue represents fees charged to customers for the use of psychometric tests developed by Oleeo. Income is recognised as the tests are used and subsequently invoiced to the customer.

Cost to fulfil a contract

The cost to fulfil a contract with a customer that are associated with project implementations are deferred on the balance sheet as deferred contract costs until the performance obligation is met, at which point the cost is amortised in line with the revenue recognition.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provisions for impairment. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	–	3 years
Office furniture	–	5 years
Leasehold improvements	–	Over the remaining period of the lease

Useful economic lives and residual values are assessed annually. Any impairment in value is charged to the statement of comprehensive income.

Financial assets

Trade and other receivables are initially recorded at their fair value and subsequently carried at amortised cost, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held at banks with original maturities of three months or less.

Short term investments

Short term investments comprise deposits held at banks with original maturities of three months or more. These investments are carried at the IFRS 9 definition of amortised cost.

Financial liabilities

Financial liabilities held by the Group consist of trade payables and other short term monetary liabilities.

Financial liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. The Group has not classified any of its financial liabilities at fair value through profit or loss.

Equity instruments

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Foreign currency

Transactions in foreign currencies are translated to the functional currency 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 translated 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 translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

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

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the date of the statement of financial position.

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred taxation liabilities are generally recognised on all taxable temporary differences. Deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the statement of financial position date. The carrying value of deferred taxation assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which taxable temporary differences can be utilised.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Pension costs

Contributions to the Group's defined contribution pension scheme are charged to the income statement in the period in which they become payable.

Research and development expenditure

Expenditure on upgrading and developing software is recognised as an expense in the period in which it is incurred, as it does not meet the criteria set out in the relevant accounting standards in order to be capitalised as an intangible asset.

Research and development tax credits are recognised in the financial statements upon confirmation that the claim has been successful. In view of the subjective nature of the definition of research and development the Directors consider the success of the claim to be uncertain and therefore no asset is recognised.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

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

Leasing

Rentals paid under operating lease commitments are charged on a straight line basis over the lease term.

Dividends
Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the reporting date.

Key judgements and sources of estimation uncertainty
The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue Recognition
In cases where the software licence fee includes an obligation to carry out modifications to be determined by the client at a future date, the estimated revenue associated with the obligation to carry out the future modifications is deferred until such time as the services have been performed or the obligation has lapsed.

3. Segmental Reporting

The Group's operations relate to the provision of internet based recruitment software for the tracking and selection of applicants and as such the Group has only one operating segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer.

Information about geographical areas	**2019** **£**	**2018** **£**
Revenue		
United Kingdom	**7,119,587**	6,242,349
United States of America	**3,299,105**	3,404,305
Europe	**188,150**	306,634
Asia-Pacific	**76,244**	28,275
	10,683,086	9,981,563

Revenues from one client totalled £1,617,621 (2018 - £933,936).

Non-current assets

Non-current assets are materially all in the UK.

Information about revenue types	**2019** **£**	**2018** **£**
Revenue		
Subscription revenues and project implementation fees	**9,258,801**	8,953,775
Professional services	**969,101**	789,730
Psychometric test income	**455,184**	238,058
	10,683,086	9,981,563

4. Operating Profit

	2019 £	2018 £
This is arrived at after charging:		
Depreciation of property, plant and equipment	**128,064**	112,570
Staff costs (note 5)	**7,669,485**	6,986,845
Amortisation of deferred contract costs	**149,800**	–
Operating lease costs	**199,119**	199,119
Equity settled share based payments	**16,510**	13,951

The analysis of auditor's remuneration is as follows:

	2019 £	2018 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	**40,000**	33,250
Total audit fees	**40,000**	33,250
Tax and other services	**5,655**	10,070
Total non-audit services	**5,655**	10,070
Total fees	**45,655**	43,320

5. Staff Costs

The average number of staff employed (including Directors) by the Group during the financial year amounted to:

	2019 Number	2018 Number
Client related	**106**	108
Administration	**6**	7
	112	115

The aggregate payroll costs of the above were:	£	£
Wages and salaries	**6,937,875**	6,320,281
Social security contributions	**605,820**	575,635
Pension costs	**125,790**	90,929
	7,669,485	6,986,845

Pension costs relate to Company payments to personal pension plans (defined contribution).

6. Directors

The Directors' remuneration in respect of qualifying services was:

Year to 31 July 2019	Salaries & bonus £	Pension £	Benefits £	Total £
Charles E H Hipps	**290,824**	**-**	**-**	**290,824**
David K Moore	**109,324**	**5,600**	**1,776**	**116,700**
David J Earland	**140,414**	**12,599**	**515**	**153,528**
	540,562	**18,199**	**2,291**	**561,052**

Year to 31 July 2018	Salaries & bonus £	Pension £	Benefits £	Total £
Charles E H Hipps	255,467	-	-	255,467
David K Moore	100,224	5,600	2,147	107,971
David J Earland	129,655	12,599	483	142,737
	485,346	18,199	2,630	506,175

During the year Directors exercised options resulting in gains of £24,053 (2018 - £19,500).

Share options

Share options granted to Directors are set out below:

Name	Number at 1 August 2018	Granted in year	Exercised	Number at 31 July 2019	Exercise price	Date from which exercisable	Expiry date
David K Moore	8,500		(8,500)	-	88.5p	11 December 2012	10 December 2019
David K Moore	10,000		(10,000)	-	88.5p	10 December 2013	9 December 2020
David K Moore	10,000			10,000	105p	12 December 2014	11 December 2021
David K Moore	10,000			10,000	157.5p	12 December 2015	11 December 2022
David K Moore	10,000			10,000	190.0p	12 December 2016	11 December 2023
David K Moore	10,000			10,000	320.0p	25 March 2018	24 March 2025
David K Moore	2,500			2,500	187.5p	21 March 2019	20 March 2026
David K Moore	2,500			2,500	212.5p	27 March 2020	26 March 2027
David K Moore	2,500			2,500	230.0p	28 March 2021	27 March 2028
David K Moore	-	2,500		2,500	190.0p	27 March 2022	26 March 2029
David J Earland	6,000		(6,000)	-	112.5p	11 December 2011	10 December 2018
David J Earland	9,150			9,150	88.5p	11 December 2012	10 December 2019
David J Earland	7,600			7,600	88.5p	10 December 2013	9 December 2020
David J Earland	6,500			6,500	105p	12 December 2014	11 December 2021
David J Earland	6,500			6,500	157.5p	12 December 2015	11 December 2022
David J Earland	6,500			6,500	190.0p	12 December 2018	11 December 2023
David J Earland	2,250			2,250	320.0p	25 March 2018	24 March 2025
David J Earland	3,360			3,360	187.5p	21 March 2019	20 March 2026
David J Earland	3,400			3,400	212.5p	27 March 2020	26 March 2027
David J Earland	3,400			3,400	230.0p	28 March 2021	27 March 2028
David J Earland	-	3,400		3,400	190.0p	27 March 2022	26 March 2029

During the prior year, the number of share options granted and exercised were:

	Granted	Exercised
David K Moore	2,500	20,000
David J Earland	3,400	-

7. Share Based Payments

The following information is relevant in the determination of the fair value of options granted under the equity settled share based remuneration schemes operated by the Company.

Equity – settled	2019	2018
Option pricing model used	**Black-Scholes**	Black-Scholes
Weighted average share price and exercise price at grant date (p.)	**190.0/190.0**	230.0/230.0
Weighted average contractual life (days)	**1,825**	1,825
Expected volatility	**10%**	10%
Expected dividend yield	**3.0%**	3.0%
Risk free interest rate	**3.5%**	3.5%

The expected volatility was determined by calculating the historical volatility for the five years up to the date of grant.

8. Taxation

	2019 £	2018 £
Current tax:		
– current year	**100,840**	92,243
– prior year	**(308,089)**	(2,336)
	(207,249)	89,907
Deferred tax – originating and revising tax differences	**7,859**	8,326
	(199,390)	98,233

Factors affecting tax charge for year

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

	2019 £	2018 £
Profit on ordinary activities before tax	**667,256**	490,504
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**126,779**	93,196
Effects of:		
Tax rates in foreign jurisdictions	**18,949**	7,960
Expenses not deductible for tax purposes	**1,740**	731
Research and development tax credit received in respect of the year's ending 31 July 2016 and 31 July 2017	**(308,838)**	-
IFRS 15 transition	**(36,970)**	-
Other differences	**(1,050)**	(1,318)
Adjustments in respect of previous periods	**-**	(2,336)
Total tax (credit)/charge in income statement	**(199,390)**	98,233

	2019 £	2018 £
Deferred tax		
On 31 July 2019 there was a recognised deferred tax liability.		
Accelerated capital allowances	**38,007**	30,148
The movement in deferred tax is shown below:		
At 1 August 2018	**30,148**	21,822
Recognised in income statement	**7,859**	8,326
At 31 July 2019	**38,007**	30,148

9. Dividends

	2019 £	2018 £
Dividends paid		
Ordinary shares		
Final dividend paid for the prior year of 3.5p (2018 - 3.5p) per share	**266,702**	265,510
Dividends proposed		
Ordinary shares		
Final dividend proposed for the year of 3.5p (2018 - 3.5p) per share	**266,982**	266,702

10. Earnings Per Share

Basic earnings per share

This is calculated by dividing the profit of £866,646 (2018 - £392,271) by the weighted average number of ordinary shares in issue throughout the year of 7,624,054 (2018 - 7,603,029).

Diluted earnings per share

The weighted average number of shares for 2019 for this calculation was 7,667,957 (2018 - 7,688,598). This is calculated based on the weighted average number of ordinary shares adjusted by 43,903 (2018 - 85,569) to recognise the effect of the potential issue of further ordinary shares as a result of the exercise of share options.

11. Property, Plant and Equipment

	Leasehold improvements £	Computer equipment £	Office furniture £	Total £
Cost				
At 1 August 2017	75,419	500,389	75,648	651,456
Additions and foreign currency revaluation	21	139,000	13,957	152,978
Disposals	-	(246,568)	(15,025)	(261,593)
At 31 July 2018	75,440	392,821	74,580	542,841
At 1 August 2018	75,440	392,821	74,580	542,841
Additions and foreign currency revaluation	411	147,761	15,544	163,716
At 31 July 2019	**75,851**	**540,582**	**90,124**	**706,557**
Depreciation				
At 1 August 2017	71,919	381,709	26,980	480,608
Charge in the year	1,043	97,635	13,892	112,570
Eliminated on disposal	-	(246,568)	(4,388)	(250,956)
At 31 July 2018	72,962	232,776	36,484	342,222
At 1 August 2018	72,962	232,776	36,484	342,222
Charge in the year	1,118	110,268	16,678	128,064
Foreign currency revaluation	209	351	386	946
At 31 July 2019	**74,289**	**343,395**	**53,548**	**471,232**
Net book value				
At 31 July 2019	**1,562**	**197,187**	**36,576**	**235,325**
At 31 July 2018	2,478	160,045	38,096	200,619
At 31 July 2017	3,500	118,680	48,668	170,848

12. Trade and Other Receivables

	2019 £	2018 £
Trade receivables	**1,742,944**	1,242,800
Total financial assets other than cash and cash equivalents held at amortised cost	**1,742,944**	1,242,800
Prepayments	**222,671**	213,068
Accrued income	**224,110**	222,079
Other receivables	**25,210**	34,585
Deferred contract costs	**405,653**	-
Total trade and other receivables – current	**2,620,588**	1,712,532
Deferred contract costs – non current	**46,515**	-

13. Cash and Cash Equivalents

	2019 £	2018 £
Cash at bank and in hand	**4,022,470**	3,503,758

14. Trade and Other Payables

	2019 £	2018 £
Trade payables	**366,992**	403,186
Accruals	**923,207**	654,143
Total financial liabilities classified as financial liabilities measured at amortised cost	**1,290,199**	1,057,329
Taxation and social security	**587,699**	599,396
Deferred income	**2,258,588**	1,320,299
	4,136,486	2,977,024

During the year revenue of £1,536,805 was recognised from the opening deferred income balance of £1,957,211 (being the July 2018 closing balance of £1,320,299 plus the IFRS 15 transition adjustment of £636,912) as performance obligations were met. The remainder is expected to be recognised in the year to 31 July 2020.

Of the deferred Income balance as at 31 July 2019 of £2,258,588 it is expected that £2,097,342 will be recognised as income in the year to 31 July 2020 with the remaining balance recognised in the following financial year.

15. Called up Share Capital

	2019 £	2018 £
Authorised, called up, allotted and fully paid		
2019 – 7,628,054 (2018 - 7,620,054) ordinary shares of £0.001 each	**7,628**	7,620

	2019 Number	2018 Number
Balance at start of period	**7,620,054**	7,586,004
Buyback	**(16,500)**	-
Issued during the year	**24,500**	34,050
Balance at end of period	**7,628,054**	7,620,054

24,500 Ordinary shares of £0.001 were issued on the exercise of approved share options, 6,000 in December 2018 and 18,500 in January 2019. The total consideration amounted to £23,123. In January 2019 the company bought back 16,500 Ordinary shares of £0.001 for a total consideration of £26,400.

During the prior year 34,050 Ordinary shares of £0.001 were issued on the exercise of approved share options, 4,300 in November 2017, 20,000 in December 2017 and 9,750 in June 2018. The total consideration amounted to £41,168.

The market price of the Company's ordinary shares at 31 July 2019 was 160.0p and the range during the financial year was from 240.0p to 160.0p.

Share options
The Company operates two equity-settled share based remuneration schemes for employees: a United Kingdom tax authority approved scheme and an unapproved scheme.

At 31 July 2019 the following share options under unapproved and approved schemes were outstanding in respect of the ordinary £0.001 shares:

Date of grant	At 1 August 2018	Granted	Lapsed	Exercised	At 31 July 2019	Nominal value £	Period of option	Exercise price per share
11 December 2008	12,000	-	(6,000)	(6,000)	-	41	11 December 2011 – 10 December 2018	112.5p
11 December 2009	23,850	-	(1,200)	(8,500)	14,150	54	11 December 2012 – 10 December 2019	88.5p
10 December 2010	25,600	-	(2,700)	(10,000)	12,900	54	10 December 2013 – 09 December 2020	88.5p
12 December 2011	30,700	-	(1,500)	-	29,200	57	12 December 2014 – 11 December 2021	105p
12 December 2012	37,020	-	(2,700)	-	34,320	61	12 December 2015 –11 December 2022	157.5p
12 December 2013	41,200	-	(3,000)	-	38,200	54	12 December 2016 –11 December 2023	190.0p
25 March 2015	29,580	-	(1,830)	-	27,750	35	25 March 2018 – 24 March 2025	320.0p
21 March 2016	23,270	-	(1,260)	-	22,010	26	21 March 2019 – 20 March 2026	187.5p
27 March 2017	26,580	-	(3,310)	-	23,270	27	27 March 2020 – 26 March 2027	212.5p
13 December 2017	33,800	-	-	-	33,800	34	13 December 2020 – 12 December 2027	227.5p
28 March 2018	37,316	-	(2,550)	-	34,766	37	28 March 2021 – 27 March 2028	230.0p
27 March 2019	-	23,940	-	-	23,940	24	27 March 2022 – 26 March 2029	190.0p
	320,916	23,940	(26,050)	(24,500)	**294,306**			

Directors' interests in share options are disclosed in note 6. The weighted average exercise price of the outstanding options at 31 July 2018 and 31 July 2019 was 174p and 191p respectively. The weighted average exercise price of options which were exercised or lapsed during the year was 94p and 164p respectively. The weighted average share price at the date of exercise was 192p.

Options granted are subject to a 3 year vesting period and must be exercised within 7 years of the vesting date after which the options will lapse. Option holders wising to exercise options are required to complete a Notice of Exercise form and send it to the Company Secretary together with a remittance of the exercise amount either by cheque or bank transfer.

The number of share options granted, lapsed and exercised in the prior year were 71,116, 6,250 and 34,050 respectively.

The weighted average of the remaining contractual life of options outstanding is 4.89 years.

Of the total number of options outstanding at 31 July 2019, 178,530 (2018 - 199,950) had vested and were exercisable at a weighted average exercise price of 174p (2018 - 160.4p).

The weighted average fair value of each option granted during the year was 190p (2018 - 229p).

16. Reserves

The share premium account represents the proceeds from the issue of share capital in excess of the nominal value of the shares issued less expenses of issue.

The capital redemption reserve represents the nominal value of the own shares purchased by the Company.

The translation reserve represents the cumulative foreign exchange differences arising on the translation of the overseas subsidiary.

The retained earnings represent all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

17. Operating Leases

As at 31 July 2019, the Group had commitments under non-cancellable operating leases for land and buildings as set out below:

	2019 **£**	**2018** **£**
Total future value of minimum lease payments due:		
In one year	**199,942**	199,119
In two to five years	**656,127**	697,739
In over five years	**395,825**	554,155
	1,251,894	1,451,013

18. Ultimate Controlling Party

Charles Hipps, a director, is the Company's controlling shareholder.

19. Financial Instruments

The Group's financial instruments comprise cash and cash equivalents and various items such as trade receivables, other receivables and trade payables that arise directly from its operations. Management's policy on each is described in Note 2. The Group has not entered into derivatives transactions nor does it trade in financial instruments as a matter of policy. The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, foreign currency risk and credit risk. Operations are financed through working capital management.

There were no derivative instruments outstanding at 31 July 2019 or 2018.

Liquidity and interest rate risk
Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy in respect of liquidity and interest rate risk (which relates to interest receivable) is to retain in readily accessible bank current and deposit accounts sufficient funds to enable the group to meet its debts as they fall due, whilst earning interest at a guaranteed rate. At the balance sheet date cash funds of £7,650,000 (2018 - £7,750,000) were held in deposit accounts of between three and six months maturity earning interest of between 0.75% and 1%. The balance of the cash was held in various current accounts, all of which are accessible on demand.

The Group's trade payables, other payables and accrued expenses are generally due between one and three months.

Interest rate risk showing a 1% decrease on floating rate deposits is as follows:

	2019 £'000	**2018 £'000**
1% decrease in interest rates	**96,500**	97,500

The rate of interest currently received is such that a decrease of one percent in the rate of interest currently received would have a material impact on the company's results.

Foreign currency risk
In relation to currency risk, the Company holds local currency accounts in the currencies in which it transacts, and the foreign exchange impact is considered when transferring monies between currency accounts. The group holds relatively small amounts of foreign currency cash and trade debtors at the year end and its exposure to gain or loss is limited.

Credit risk
The Group's principal financial assets are bank balances and cash and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful debts. It is group policy to assess the credit risk of new customers and to factor the information from these credit ratings into future dealings with the customers. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Cash and cash equivalents are held in sterling in UK banks and USD in UK and US banks.

Fair values
In management's opinion there is no material difference between the book value and fair value of any of the Group's financial instruments.

Classes of financial instruments
The classes of financial instruments are the same as the line items included on the face of the statement of financial position and have been analysed in more detail in the notes to the accounts. All the Group's financial assets are measured at amortised cost. All financial liabilities are measured at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 July 2019 (continued)

Capital disclosures

Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

20. Related Parties

Identity of related parties

The Group has a related party relationship with its subsidiary, Oleeo Inc. and its directors; further details can be found in Note C3.

Transactions with key management personnel

The directors consider the key management personnel to comprise the statutory directors.

	2019 £	2018 £
Remuneration	**540,562**	485,346
Social security costs	**62,856**	55,501
Share based payments	**2,291**	2,630
Pension contributions	**18,199**	18,199
	623,908	561,676

Related party transactions

	2019 £	2018 £
Dividends paid to the Directors of the Company:		
Charles E H Hipps	**189,157**	189,157
David J Earland	**189**	189
David K Moore	**108**	39

Lease agreement

On 5 February 2017 the company entered into a lease agreement with the pension scheme of Charles E H Hipps for the occupancy of the premises at 5-7 Bridgeworks, The Crescent, Wimbledon. The lease is for a term of 10 years with a fixed annual rent of £95,000 with a break option in February 2022.

Financial and accounting advisory fees

Paul Hipps invoices the Group for financial and accounting advisory services which total £12,000 (2018 - £12,000). Amounts accrued but unpaid at the year-end were £12,000 (2018 - £12,000).

COMPANY STATEMENT OF FINANCIAL POSITION

Company number 3813540

As at 31 July 2019	Note	2019 £	2018 £
Assets			
Non-current assets			
Property, plant and equipment	C2	**223,902**	187,775
Investments	C3	**60**	60
Trade and other receivables	C4	**46,515**	-
		270,477	187,835
Current assets			
Trade and other receivables	C4	**2,543,108**	1,664,366
Short term investments		**7,650,000**	7,750,000
Cash and cash equivalents	C5	**3,987,436**	3,400,526
Total current assets		**14,180,544**	12,814,892
Total assets		**14,451,021**	13,002,727
Equity			
Issued capital	15	**7,628**	7,620
Share premium	16	**1,713,256**	1,690,158
Capital redemption reserve	16	**725**	708
Retained earnings	16	**8,468,150**	8,299,122
Total equity		**10,189,759**	9,997,608
Liabilities			
Non-current liabilities			
Deferred tax		**38,007**	30,148
Liabilities			
Current liabilities			
Trade and other payables	C6	**4,205,255**	2,952,471
Income tax		**18,000**	22,500
Total current liabilities		**4,223,255**	2,974,971
Total liabilities		**4,261,262**	3,005,119
Total equity and liabilities		**14,451,021**	13,002,727

As permitted by section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's profit for the year was £810,452 (2018 - £347,982).

The financial statements were approved by the Board of Directors and authorised for issue on 6 November 2019 They were signed on its behalf by:

C E H Hipps
Director

The notes on pages 44 to 47 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 July 2019

	Share capital £	Share Premium £	Capital redemption reserve £	Retained Earnings £	Total £
Balance at 1 August 2017	7,586	1,649,024	708	8,202,699	9,860,017
Comprehensive income					
Profit for the year	-	-	-	347,982	347,982
Total comprehensive income for the year	-	-	-	347,982	347,982
Transactions with owners					
Issue of shares	34	41,134	-	-	41,168
Dividends paid	-	-	-	(265,510)	(265,510)
Share based payments	-	-	-	13,951	13,951
Balance at 31 July 2018	7,620	1,690,158	708	8,299,122	9,997,608
Balance at 1 August 2018	**7,620**	**1,690,158**	**708**	**8,299,122**	**9,997,608**
Transition to IFRS 15 (Note 2)	-	-	-	(364,832)	(364,832)
Balance 1 August 2018	7,620	1,690,158	708	7,934,290	9,632,776
Comprehensive income					
Profit for the year	-	-	-	810,452	810,452
Total comprehensive income for the year	-	-	-	810,452	810,452
Transactions with owners					
Issue of shares	25	23,098	-	-	23,123
Dividends paid	-	-	-	(266,702)	(266,702)
Share based payments	-	-	-	16,510	16,510
Buy back of shares	(17)	-	17	(26,400)	(26,400)
Balance at 31 July 2019	**7,628**	**1,713,256**	**725**	**8,468,150**	**10,189,759**

The notes on pages 44 to 47 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

For the Year Ended 31 July 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		**810,452**	347,982
Depreciation	C2	**120,064**	106,891
Share based payments		**16,510**	13,951
(Increase) in receivables		**(653,177)**	(299,207)
Increase/(decrease) in payables		**615,872**	(209,393)
Finance income		**(75,114)**	(17,776)
Income tax (income)/expense		**(235,979)**	75,990
		598,628	18,438
Taxation		**239,338**	(132,163)
Net cash inflow/(outflow) from operating activities		**837,966**	(113,725)
Cash flows from investing activities			
Interest received		**75,114**	17,776
Purchase of property, plant and equipment	C2	**(156,191)**	(150,065)
Short term investments		**100,000**	(7,750,000)
Net cash inflow/(outflow) from investing activities		**18,923**	(7,882,289)
Cash flows from financing activities			
Proceeds from issue of shares		**23,123**	41,168
Purchase of own shares		**(26,400)**	-
Equity dividends paid	9	**(266,702)**	(265,510)
Net cash outflow from financing activities		**(269,979)**	(224,342)
Increase/(decrease) in cash in the year		**586,910**	(8,220,356)
Cash and cash equivalents at beginning of year		**3,400,526**	11,620,882
Cash and cash equivalents at end of year		**3,987,436**	3,400,526

The notes on pages 44 to 47 form part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

C1. Accounting Policies

The accounting policies of the Company are consistent with those adopted by the Group with the addition of the following:

Investments
Investments are stated at their cost less impairment losses.

C2. Property Plant and Equipment

	Leasehold improvements £	Computer equipment £	Office furniture £	Total £
Cost				
At 1 August 2017	70,293	492,949	55,122	618,364
Additions	-	137,132	12,932	150,065
Disposals	-	(246,568)	(3,879)	(250,447)
At 31 July 2018	70,293	383,513	64,175	517,981
At 1 August 2018	70,293	383,513	64,175	517,981
Additions	-	142,787	13,404	156,191
Disposals	-	-	-	-
At 31 July 2019	**70,293**	**526,300**	**77,579**	**674,172**
Depreciation				
At 1 August 2017	70,293	379,946	23,523	473,762
Charge in the year	-	94,937	11,954	106,891
Eliminated on disposal	-	(246,568)	(3,879)	(250,447)
At 31 July 2018	70,293	228,315	31,598	330,206
At 1 August 2018	70,293	228,315	31,598	330,206
Charge in the year	-	106,130	13,934	120,064
Eliminated on disposal	-	-	-	-
At 31 July 2019	**70,293**	**334,445**	**45,532**	**450,270**
Net book value				
At 31 July 2019	**-**	**191,855**	**32,047**	**223,902**
At 31 July 2018	-	155,198	32,577	187,775
At 31 July 2017	-	113,003	31,599	144,602

C3. Investments

	2019 £	2018 £
Investment in subsidiary undertaking		
At 1 August 2018	**60**	60
At 31 July 2019	**60**	60

The Company owns 100% of the issued share capital of Oleeo Inc., a company registered in the United States of America with its registered office 34 Byron Place, Suite 204, Scarsdale, NY 10583, USA. The subsidiary has the same principal activities as the Company.

During the year the Company paid a support fee of £2,200,870 (2018 - £1,929,372) to the subsidiary and at 31 July 2019 the Company owed £391,609 (2018 - £91,029) to the subsidiary.

C4. Trade and Other Receivables

	2019 £	2018 £
Trade receivables	**1,742,944**	1,242,800
Total financial assets other than cash and cash equivalents held at amortised cost	**1,742,944**	1,242,800
Prepayments	**163,654**	192,927
Accrued income	**224,110**	222,079
Other receivables	**6,747**	6,560
Deferred contract costs	**405,653**	-
Total trade and other receivables – current	**2,483,136**	1,664,366
Deferred contract costs – non current	**46,515**	-

C5. Cash and Cash Equivalents

	2019 £	2018 £
Cash at bank and in hand	**3,987,436**	3,400,526

NOTES TO THE COMPANY FINANCIAL STATEMENTS

(continued)

C6. Trade and Other Payables

	2019 £	2018 £
Trade payables	**264,591**	334,595
Accruals	**702,768**	607,152
Amounts due to subsidiary undertakings	**391,609**	91,029
Total financial liabilities classified as Financial liabilities measured at amortised cost	**1,358,968**	1,032,776
Taxation and social security	**587,699**	599,396
Deferred income	**2,258,588**	1,320,299
	4,205,255	2,952,471

The company figures include a liability to the subsidiary and although it is due on demand, it is not expected to be re paid within the next 12 months.

During the year revenue of £1,217,018 was recognised from the opening deferred income balance of £1,320,299 as performance obligations were met. The remainder is expected to be recognised in the year to 31 July 2020.

Of the deferred Income balance as at 31 July 2019 of £2,258,588 it is expected that £2,097,342 will be recognised as income in the year to 31 July 2020 with the remaining balance recognised in the following financial year.

C7. Related Parties

The Company has a related party relationship with its subsidiary (see note C3) and with its directors (see note 20).

C8. Staff Costs

The average number of staff employed (including directors) by the company during the financial year amounted to:

	2019 Number	2018 Number
Client related	**96**	100
Administration	**6**	7
	102	107

The aggregate payroll costs of the above were:	£	£
Wages and salaries	**5,524,120**	5,156,522
Compulsory social security contributions	**605,820**	575,635
Pension costs	**125,790**	90,929
	6,255,730	5,823,086

Pension costs relate to Company payments to personal pension plans (defined contribution).

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of OLEEO PLC will be held at 5-7 Bridgeworks, The Crescent, London SW19 8DR, on 3 December 2019 at 10.30am for the following purposes:

1. To consider the financial statements and the reports of the directors and of the auditors for the year ended 31 July 2019.

2. To approve the payment of a dividend of 3.5p per share.

3. To consider the re-election of David J Earland who retires as a director in accordance with the Articles of Association.

   As Special Business:

4. To consider and, if thought fit, to pass the following resolution as a special resolution:

   That pursuant to article 9 of the Company's Articles of Association and in accordance with Section 701 of the Companies Act 2006, the Company be generally and unconditionally authorised during the period expiring on the date of the next annual general meeting of the Company after passing this resolution or 18 months from the passing of this resolution, whichever is the earlier, to make market purchases (as defined in Section 693(4) of the said Act) of ordinary shares in the capital of the Company (Ordinary Shares) on such terms and in such manner as the directors determine, provided that this authority shall:

   (i) be limited to a maximum of 1,525,610 Ordinary Shares representing 20% of the Company's issued Ordinary Share capital as at the date of the passing of this resolution;

   (ii) not permit payment by the Company, exclusive of any expenses, of less than the par value of each Ordinary Share;

   (iii) not permit payment by the Company, exclusive of any expenses, of more than 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased; and

   (iv) permit the Company to make a contract or contracts to purchase Ordinary Shares prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of Ordinary Shares in pursuance of any such contract or contracts notwithstanding such expiry.

By order of the Board

P Hipps
Secretary

Date 7 November 2019

NOTES

1) A member of the company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him or herself. A proxy need not be a member of the company. In default of a specific appointment, the Chairman of the Meeting will act as your proxy.

2) The appointment of a proxy does not preclude a member of the Company from attending and voting at the meeting.

3) In the case of joint holders only one need sign. The vote of the most senior holder named in the Register of Members alone will be counted.

4) To be valid the Form of Proxy must be completed and signed, together with any power of attorney or other authority under which it is signed or a duly certified copy thereof and lodged with Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 10.30 am on 1 December 2019.

5) Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755), the Company has specified that only those members registered on the register of members of the Company at close of business on 1 December 2019, or, in the event that the meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of Shares registered in their name at that time. Changes to the register of members after close of business on 1 December 2019, or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend and vote at the meeting.

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Oleeo PLC
5-7 Bridgeworks
The Crescent
London
SW19 8DR