

Registration number: 02093062

PLANIT SOFTWARE LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
(Registered in United Kingdom – number 02093062)



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Directors	J Cummings A Harris
Company Secretary	H Peall (appointed 16 May 2023)
Registered Office	1370 Montpellier Court Gloucester Business Park Gloucester GL3 4AH United Kingdom
Independent Auditors	PricewaterhouseCoopers LLP 2 Glass Wharf Temple Quay Bristol BS2 0FR

PLANIT SOFTWARE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Strategic Report and the financial statements for the year ended 31 December 2022.

1. Principal activities and review of the business

Planit Software Limited is a private company limited by shares. It is owned by Vero Software Limited, a subsidiary of Hexagon AB. The Company continues to work within the Hexagon group to explore synergies and opportunities for collaboration. Hexagon's large customer base and extensive offering in manufacturing industry will provide significant opportunities for the future growth of our software brands.

The principal activity of the Company continued to be the development and distribution of software which is focused on the Computer Aided Manufacturing ("CAM") market. The Company's software is distributed globally and our customers operate in diverse industry sectors. Increasing complexity in manufacturing technology, improving macro-economic trends and demand for manufactured goods in emerging markets are driving demand for our products.

2. Business Review

The income statement is set out on page 12. The results for the Company show a profit after tax for the year of £13,796,000 (2021: £10,049,000) and turnover for the year of £34,858,000 (2021: £30,610,000). The Company paid dividends during the year of £85,000,000 (2021: £nil)

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

	Unit	2022	2021
Turnover	£	34,858,000	30,610,000
Operating Profit	£	13,691,000	11,611,000
Shareholders' funds	£	43,383,000	114,379,000
Average no. of employees		178	165

Profit before tax was £14,969,000 (2021: £11,607,000), such that pre-tax profit margin has increased from 38% to 43% as the business continues to do well under challenging conditions.

Considering the prevailing market conditions, the directors view both the level of business and the year end financial position to be satisfactory for future prospects.

3. Principal risks and uncertainties

The principal risks and uncertainties discussed in this section are not an exhaustive list but are considered some of the principal risks and uncertainties faced by the business. Our aim is to manage, and control identified risk through established processes but it cannot be eliminated completely.

3.1 Financial risk

Financial risks are managed at the Group level. The Group Treasury Policy, which is updated and approved annually by the Board of Directors, stipulates the rules and limitations for the management of financial risks throughout the Group. Hexagon's internal bank coordinates the management of financial risks and is also responsible for the Group's external borrowing and internal financing. Additional financial risks include, but are not limited to, the risks of varying business results, seasonal variation, and changes to accounting principles (or application thereof).

3. Principal risks and uncertainties (continued)

3.2 Price risk

The Company generates a significant portion of its revenue outside the United Kingdom and is therefore subject to additional risks associated with the extent of its international operations. The directors believe that the spread of international markets helps to minimise the risk as conditions in one market are not always reflected elsewhere in the world.

3.3 Foreign currency risk

The Company receives a substantial proportion of its revenues in Euros, US Dollars or Japanese Yen. Adverse fluctuations in exchange rates can therefore significantly affect its revenue and reported profits. The risks are managed at a central group level by Hexagon AB.

3.4 Credit risk

The Company is exposed to the potential insolvency of its customers. The directors believe the exposure is spread over a large number of customers in different geographic locations and market sectors thereby reducing risk. Credit risks of new customers are assessed before entering into contracts and balances of existing customers are reviewed monthly.

3.5 Liquidity risk and cash flow risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is party to a cash-pooling arrangement which allows overdrafts and current account surpluses to be netted off with each company's respective balance. The Company monitors cash balances to ensure payment profiles can be honoured in the full at the appropriate date.

3.6 Technology Risk

The Company's software products are the result of a considerable investment in research and development. Inability to protect them could reduce the value of the Company's products and services.

The Company protects its software using a combination of encrypted hardware and software devices. The Company protects its proprietary rights to its software with licence agreements and with the registration of trademarks.

The Company has developed and utilises software in collaboration with various software developers. In particular the termination of the Company's licensing agreements for technologies from third parties could result in significant costs, delays in product development and affect the Company's performance.

The Company has entered into agreements that provide for the Company's right to market and distribute the products containing third party component technology.

4. Section 172 Statement and Stakeholder Interests

The primary duty of the directors under Section 172 is to act in a way they consider would be most likely to promote the success of the Company for the benefit of its stakeholders and as a whole and to do so having regard as appropriate to certain statutory factors and other relevant matters.

All director decisions are made with the Company's long-term success in mind and the directors have regard to a broad range of matters including the voice of stakeholders. Set out below is specific commentary in relation to each of the Section 172 factors;

The likely consequences of any decision in the long-term

The Company has adopted a five-year business planning period and sets strategy with a view to long-term success. The strategic review process was undertaken during the year with that in mind. Long-term considerations had an influence in assessing which are the most attractive markets for the Company to focus on and how to optimise the businesses' footprint. The directors also reviewed investment decisions with a long-term view, usually 5 or 10 years.

The interests of the Company's employees

The Company depends on its employees for its success and invests considerable time and resources on employee engagement, training and developments. Health and safety of our employees is of paramount importance and receives appropriate director and management attention and investment. Reflecting this importance, the directors measure and track performance closely. The Company issues regular newsletters to employees where key areas of Health and Safety are discussed with advice on mitigating risk.

The impact of operations on the community and the environment

The Company has a positive contribution to the local community as employers and through apprenticeships and employee training.

The Company monitors minimising our impact on the environment with energy and waste initiatives. Continued progress depends upon the directors driving such initiatives and channelling investment to projects with due regard for the environment.

The desirability of maintaining a reputation for high standards of business conduct

The Company is careful of its reputation and decisions reflect this and the great importance attached to the reputation by all key stakeholders. The Company demands high standards of conduct from all directors and employees and expects management to be mindful of how and with whom business is conducted. The Company will decline to have dealings with third parties who display poor business conduct.

The need to act in the interests of the group as a whole

The Company is a wholly owned subsidiary, the Directors recognise the importance of cooperation with fellow subsidiaries to maximise returns for the Group. Investment decisions and strategic decisions are made by a committee to ensure that all group companies are working together.

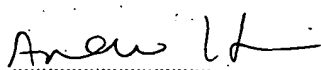
4. Section 172 Statement and Stakeholder Interests (continued)

Major decisions

The focus for the company is the One Hexagon initiative which seeks to unify all companies within the Hexagon portfolio under the identity of Hexagon rather than constituent companies of the group.

Approved by the board on 27 September 2023

and signed by order of the board.



A Harris

Director

The directors of Planit Software Limited (the "Company") submit their Directors' report together with the audited financial statements for the year ended 31 December 2022.

1. Profits and dividends

The income statement is set out on page 12. The results for the Company show a profit after tax for the year of £13,796,000 (2021: £10,049,000) and turnover for the year of £34,858,000 (2021: £30,610,000). The Company paid dividends of £85,000,000 during the year (2021: Nil).

2. Principal activity

The principal activity of the Company is the development and distribution of software focused on the Computer Aided Manufacturing ("CAM") market. The broad application of the Company's products service a multitude of manufacturing industries such as automotive, electronic, medical, white goods and aerospace.

3. Directors of the company

The directors who held office during the year and up to the date of signing the financial statements were, unless otherwise stated,

J Cummings
P Guglielmini (resigned 29 April 2022)
D Mills (resigned 16 May 2023)
A Harris (appointed 16 May 2023)

4. Going concern

Whilst the Company is forecasting to be profitable and cash generative throughout the 12 months following the approval of these financial statements, as the Company operates as part of a wider cash pool within the Hexagon group, the directors have obtained written confirmation from Hexagon AB that it is able to and will assist the Company in meeting its liabilities as and when they fall due, but only to the extent that funds are not otherwise available to the Company to meet such liabilities, for a period of at least 12 months from the approval of these financial statements. The consolidated interim financial statements of Hexagon AB at 30 June 2023 show the group to continue to be profitable and to have cash and unutilised credit limits totalling €1,311m and interest bearing liabilities of €4,109m of which €1,366m are current liabilities, as a result the Directors have concluded that it is appropriate for the company to prepare the accounts on a going concern basis.

5. Future developments

The Company is committed to an integration program which will exploit synergies as part of the Hexagon Group and promote cross brand integration.

6. Research and development

The Company continues an active programme of research and development, enhancing and updating current products and extending the product range.

7. Health and safety

Health and safety remains core to the Company's business principles. The Company has continued the development of its formula health and safety management systems to reflect the growth of the business and changing regulatory requirements.

8. Directors Qualifying Third Party Indemnity Provisions

The Company has granted indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

9. Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

10. Independent Auditors

A resolution to appoint PricewaterhouseCoopers LLP as the Company's independent auditors will be put to the members at the annual general meeting in accordance with section 485 of the Companies Act 2006.

11. Post Balance Sheet Events

Post year-end, on 16 May 2023 D Mills resigned as director and J Cummings resigned as company secretary. They were replaced by A Harris as director and H Peall as company secretary.

On 1 January 2023, the company purchased the trade debtors and deferred revenue obligations of Vero UK Limited at their face value which the directors consider to be equal to their fair value, this is a part of the One Hexagon initiative which aims to combine the activities of like companies within the group.

12. Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Reports and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

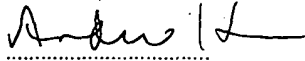
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PLANIT SOFTWARE LIMITED
DIRECTORS REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are also 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 Companies Act 2006.

The financial statements on pages 12-30 were approved by the Board on 27 September 2023 and signed by order of the board by:



A Harris

Director

PLANIT SOFTWARE LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLANIT SOFTWARE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022

Report on the audit of the financial statements

Opinion

In our opinion, Planit Software Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Reports and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; the Income Statement and Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK corporate tax, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and the manipulation of accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- Confirmation and enquiry of management and those charged with governance over compliance with legislation and financial reporting, including consideration of actual or potential litigation and claims,
- Challenging assumptions and judgements made by management in their significant accounting estimates,
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations and
- Incorporating unpredictability into the nature, timing and/or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Stephen Patey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
27-09-2023

PLANIT SOFTWARE LIMITED
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

Income Statement
for the year ended 31 December 2022

		2022	2021
	Note	£000	£000
Turnover			
Cost of sales	3	34,858	30,610
		(5,560)	(4,876)
Gross Profit		<u>29,298</u>	<u>25,734</u>
Administrative expenses		(15,279)	(14,170)
Other operating (expense) income		(328)	47
Operating Profit	4	<u>13,691</u>	<u>11,611</u>
Income from shares in group undertakings		496	128
Other interest receivable and similar income	8	829	10
Interest payable and similar expenses	9	(47)	(142)
Profit before taxation		<u>14,969</u>	<u>11,607</u>
Tax on profit	10	(1,173)	(1,558)
Profit for the financial year		<u><u>13,796</u></u>	<u><u>10,049</u></u>

All amounts relate to continuing operations.

Statement of Comprehensive Income
for the year ended 31 December 2022

	2022	2021
	£000	£000
Profit for the financial year	<u>13,796</u>	<u>10,049</u>
Total comprehensive income for the year	<u><u>13,796</u></u>	<u><u>10,049</u></u>

PLANIT SOFTWARE LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	11	1,582	1,558
Right of use assets	12	3,134	3,942
Tangible assets	13	787	928
Investments	14	171	171
		<u>5,674</u>	<u>6,599</u>
Current assets			
Debtors	15	55,652	124,350
Cash at bank and in hand		48	173
		<u>55,700</u>	<u>124,523</u>
Creditors: Amounts falling due within one year	16	(14,371)	(12,308)
Net current assets		<u>41,329</u>	<u>112,215</u>
Total assets less current liabilities		<u>47,003</u>	<u>118,814</u>
Creditors: Amounts falling due after more than one year	17	(3,116)	(4,032)
Provisions for liabilities	18	(504)	(403)
Net assets		<u>43,383</u>	<u>114,379</u>
Capital and reserves			
Called up share capital	20	38	38
Capital redemption reserve	21	17	17
Share based payments reserve	19	410	202
Profit and loss account		<u>42,918</u>	<u>114,122</u>
Total shareholders' funds		<u>43,383</u>	<u>114,379</u>

Approved by the Board and authorised for issue on 27 September 2023 and signed on its behalf by:



A Harris

Director

Registration number: 02093062

PLANIT SOFTWARE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called-up share capital £000	Capital redemption reserve £000	Share based payments reserve £000	Retained earnings £000	Total £000
Balance as at 1 January 2021	38	17	-	104,073	104,128
Profit for the financial year	-	-	-	10,049	10,049
Total comprehensive income for the year	-	-	-	10,049	10,049
Share-based payments	-	-	202	-	202
Balance at 31 December 2021	38	17	202	114,122	114,379
Profit for the financial year	-	-	-	13,796	13,796
Total comprehensive income for the year	-	-	-	13,796	13,796
Dividends	-	-	-	(85,000)	(85,000)
Share-based payments	-	-	208	-	208
Balance as at 31 December 2022	38	17	410	42,918	43,383

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Planit Software Limited for the year ended 31 December 2022 were authorised for issue by the board of directors on 27 September 2023 and the balance sheet was signed on the board's behalf by A Harris. Planit Software Ltd is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is 1370 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Accounting policies

Group Accounting

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Hexagon AB (Incorporated in Sweden). These financial statements therefore present information about the company as an individual undertaking and not about its group. The results of Planit Software Limited are included in the consolidated financial statements of Hexagon AB, which are available from Lilla Bantorget 15, P.O. Box 3692, SE-103 59, Stockholm, Sweden.

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022. The accounts are prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The Company has taken advantage of the following disclosure exemptions under FRS 101, as the results are included in the consolidated financial statements of Hexagon AB, the ultimate parent company.

- (a) the requirements in paragraph 38 of IAS 1 Presentation of financial statements to present comparative information in respect of;
 - (i) paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - (iii) paragraphs 76 and 79(d) of IAS 40 Investment Property;
 - (iv) paragraph 118(2) of IAS 38 Intangible Assets.
- (b) the requirements of paragraphs 10(d), 10(f), 16, 38(a) to 38(d), 40(a)- 40(d), 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- (c) the requirements of IAS 7 'Statement of cash flows';
- (d) the requirements in IAS 24, 'Related party disclosures' to disclose related transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (e) the requirements of IFRS 7 'Financial Instruments';
- (f) the requirements of paragraphs 91-99 of IFRS 13 'Fair Value Measurement';

2. Accounting policies (continued)

- (g) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Error';
- (h) the requirements of paragraphs 17 and 18A of IAS 24 'Related Party Disclosures';
- (i) the requirements of Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined) and;
- (j) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (C), 120 to 127 and 129 of IFRS15 Revenue from Contracts with customers.

New Standards and amendments

There are no amendments to accounting standards that are effective for the year ended 31 December 2022 that have had a material impact on the Company's financial statements.

Going concern

Whilst the Company is forecasting to be profitable and cash generative throughout the 12 months following the approval of these financial statements, as the Company operates as part of a wider cash pool within the Hexagon group, the directors have obtained written confirmation from Hexagon AB that it is able to and will assist the Company in meeting its liabilities as and when they fall due, but only to the extent that funds are not otherwise available to the Company to meet such liabilities, for a period of at least 12 months from the approval of these financial statements. The consolidated interim financial statements of Hexagon AB at 30 June 2023 show the group to continue to be profitable and to have cash and unutilised credit limits totalling €1,311m and interest bearing liabilities of €4,109m of which €1,366m are current liabilities, as a result the Directors have concluded that it is appropriate for the company to prepare the financial statements on a going concern basis.

Revenue and revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable for the sale of products and services in the ordinary course of business and is shown a net of Value Added Tax. The Company earns revenues from the sale of software licenses, support services, and other professional services such as training and consulting.

Revenue from software license sales is recognised upon delivery to the customer, when there are no significant vendor obligations remaining, and the collection of the resulting receivable is considered probable. The Company has no ongoing obligation to provide updated software and as such revenue is taken at the point the software is provided to the customer. In instances where significant vendor obligations remain, the recognition of the revenue is deferred until that obligation has been satisfied. Support income is recognised evenly over the term of the contract.

Professional services; such as integration, training and consulting is recognised when the service is performed. Revenue not recognised under this policy is classified as deferred income on the statement of financial position.

2. Accounting policies (continued)

Intangible fixed assets and amortisation

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets created within the business other than development costs are not capitalised and expenditure is charged against profits in the year in which it is incurred. Costs relating to the development of software products are capitalised once the recognition criteria of IAS 38 "Intangible Assets" are met.

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value over their expected useful economic life as follows:

<u>Asset class</u>	<u>Amortisation method and rate</u>
Intellectual property	6 years straight line basis
Software Licenses	3-4 years straight line basis
Development costs	4 years straight line basis

The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The following rates of depreciation are used:

<u>Asset class</u>	<u>Depreciation method and rate</u>
Computer, fixtures and fittings	20% - 33% straight line
Motor vehicles	25% -33% straight line
Leasehold improvements	Shorter of the term of the lease or 10 years

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment in the value of the investment. Impairment tests are conducted for fixed asset investments when there is an indication of impairment.

2. Accounting policies (continued)

Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Dilapidation provisions are provided to cover the expected costs of returning existing sites occupied by the Company to their original condition. Any costs incurred with the existing sites are charged against the provision. The provisions have not been discounted as the impact is not considered to be material.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The exchange differences are reported as part of the profit and loss account for the year.

Dividend Income

Dividend income is recognised when the right to receive payment is established.

2. Accounting policies (continued)

Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments;

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Company under residual value guarantees;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease, where material. If that rate cannot be readily determined, the Company's rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all lease of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Short-term leases are leases with a lease term of 12 months or less. Low-value leases are those with a value of less than EUR 10,000.

Financial Instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company becomes party to the contractual provision of the instrument.

Accounting policies (continued)

Trade and other debtors

Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Specific provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote. General provision for impairment is determined using the simplified approach for the recognition of expected credit losses in accordance with FRS9 as set out below.

De-recognition of financial assets

A financial asset is derecognised when (1) the rights to receive cash flows from the asset have expired or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ('ECLs') for all debt instruments not held at fair value through profit or loss. ECLs are recognised in two stages:

For credit exposures for which there has not been a significant increase in credit risk since initial recognition ECLs are provided for credit losses that result in default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition a loss allowance is required for credit losses expected over the remaining life of exposure, irrespective of the timing of the default. (a lifetime ECL).

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected the gross carrying value of the asset is written off against associated provision.

Pensions

The Company contributes to a group defined contribution pension scheme for employees. The amount charged to the profit and loss account represents the contribution payable to the scheme for the year.

Government Grants

Grants are accounted for under the accruals model as permitted by FRS 101. Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure. This includes Research and Development (R&D) expenditure credit ('RDEC'). The Company has not directly benefited from any other forms of government assistance.

2. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Development costs

Development costs are capitalised in accordance with the accounting policy given above. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the economic feasibility of the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets. At 31 December 2022, the carrying amount of capitalised development costs was £1,581,000 (2021: £1,555,000).

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Intercompany receivables

The risk of default has been considered on intercompany receivables and given the financial position of the counterparty and wider position of the Hexagon Group, the risk of default is considered minimal. Therefore, no expected credit loss provision has been recorded.

Revenue recognition

Revenue from software license sales is recognised in accordance with the accounting policy given above. Management has applied the judgment and concluded that the entity provides a right to use to the entity's software license at the point in time at which the license is granted to the customer. This means that the customer can direct the use of and obtain substantially all the remaining benefits from the license at the point in time at which the license transfers. Therefore, the software license is recognised upon delivery to the customer and the Company has no ongoing obligation to provide updated software.

Share-based payments

The Company's ultimate parent Hexagon AB operates share-based long-term incentive programmes (LTIP) for group management, senior executives and other Hexagon Group employees. These are accounted for as equity-settled share-based payments in accordance with IFRS2.

Equity-settled share-based payments to employees are measured at fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the estimate of the number of equity instruments that will eventually vest, with a corresponding credit to equity.

PLANIT SOFTWARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

Share-based payments (continued)

At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest in result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding credit to equity.

The Company will bear the cost of the related employers national insurance costs upon exercise of the share options, therefore recognises a liability in the balance sheet for accrued social security costs over the vesting period.

3. Turnover

An analysis of turnover by geographical location of the customer is given below:

	2022	2021
	£000	£000
UK	11,691	11,218
EMEA	15,368	13,296
Rest of world	7,799	6,096
	<u>34,858</u>	<u>30,610</u>

All revenue relates to sale of services.

4. Operating profit

Operating profit is stated after charging / (crediting):

	2022	2021
	£000	£000
Operating leases in relation to short or low value assets	144	78
Foreign currency (gains)/losses	(833)	255
Profit on sale of tangible assets	(12)	(6)
Amortisation of intangible assets	622	595
Depreciation of right of use assets	266	483
Depreciation of tangible assets – owned assets	330	322
Share-based payments	237	232
Loss on disposal of investment	<u>306</u>	<u>-</u>

5. Audit fee

The auditors' remuneration for the year was £47,000 (2021: £42,000)

There are no non-audit fees payable to the Company's auditors (2021: £nil).

PLANIT SOFTWARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Directors' remuneration

One director received total remuneration for the year of £172,000 (2021 : £167,000). All of the other directors of the Company are employees of a fellow subsidiary and did not receive any remuneration for their services as directors of the Company, which are deemed to be incidental to their wider UK management roles and the Company's apportionment of the total remuneration is as follows.

	2022 £000	2021 £000
Remuneration (including benefits in kind)	161	156
Contributions to defined contribution pension schemes	11	11
	<u>172</u>	<u>167</u>
	2021 No.	2020 No.
Number of directors who are:		
Members of defined contribution pension schemes	<u>1</u>	<u>1</u>

7. Particulars of employees

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

	2022 No.	2021 No.
Administration, support and marketing	23	17
Research and development	50	49
Sales and distribution	105	99
	<u>178</u>	<u>165</u>

The aggregate payroll costs were as follows:

	2022 £000	2021 £000
Wages and salaries	9,926	9,360
Share-based payments	208	202
Social security costs	1,219	1,101
Other pension costs	850	621
	<u>12,203</u>	<u>11,284</u>

8. Other interest receivable and similar income

	2022 £000	2021 £000
Other interest	21	5
Interest from group companies	808	5
	<u>829</u>	<u>10</u>

PLANIT SOFTWARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Interest payable and similar expenses

	2022	2021
	£000	£000
Interest on lease liability	47	142
	<u>47</u>	<u>142</u>

10. Tax on profit

	2022	2021
	£000	£000
Current tax		
Corporation tax charge	2,884	2,208
Adjustments in respect of previous years	(1,800)	(648)
Foreign taxation	25	50
Total current tax	<u>1,109</u>	<u>1,610</u>
Deferred tax		
Origination and reversal of timing differences	64	(52)
Effect of increased tax rate on opening balance	-	-
Total deferred tax	<u>64</u>	<u>(52)</u>
Total tax on profit	<u>1,173</u>	<u>1,558</u>

Factors affecting current tax charge for the year

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2021: 19%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation.

	2022	2021
	£000	£000
Profit before taxation	<u>14,969</u>	<u>11,607</u>
Corporation tax at standard rate 19% (2021: 19%)	2,844	2,205
Fixed asset differences	60	8
Expenses not deductible for tax purposes	154	9
Other intangibles movement in temporary differences not recognised in the computation	(6)	-
Group Income	(94)	(24)
Adjustments in respect of previous years	(1,800)	(648)
Origination and reversal of timing differences	-	8
Remeasurement of deferred tax for changes in tax rates	15	-
Total tax charge	<u>1,173</u>	<u>1,558</u>

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

PLANIT SOFTWARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Intangible assets

	Software licenses £000	Development costs £000	Intellectual property £000	Total £000
Cost				
At 1 January 2022	48	3,551	426	4,025
Additions	-	646	-	646
At 31 December 2022	48	4,197	426	4,671
Accumulated Amortisation				
At 1 January 2022	(45)	(1,996)	(426)	(2,467)
Charge for year	(2)	(620)	-	(622)
At 31 December 2022	(47)	(2,616)	(426)	(3,089)
Net book value				
At 31 December 2022	1	1,581	-	1,582
At 31 December 2021	3	1,555	-	1,558

12. Right of use assets and lease liabilities

	Leasehold Properties £000	Office Equipment £000	Motor vehicles £000	Total £000
Cost or valuation				
At 1 January 2022	5,083	12	144	5,239
Additions	-	-	481	481
Disposals	-	-	(122)	(122)
Restatement	(1,023)	-	-	(1,023)
At 31 December 2022	4,060	12	503	4,575
Accumulated depreciation				
At 1 January 2022	(1,177)	(7)	(113)	(1,297)
Charge for the year	(182)	(2)	(82)	(266)
Eliminated on disposals	-	-	122	122
At 31 December 2022	(1,359)	(9)	(73)	(1,441)
Net book value				
At 31 December 2022	2,701	3	430	3,134
At 31 December 2021	3,906	5	31	3,942

The leasehold properties have been restated to correct and remove a previously included service charge.

Lease liability

The lease liability can be summarised as follows:

	2022 £	2021 £000
Current liability	439	403
Non-current liability	2,967	3,776
	<u>3,406</u>	<u>4,179</u>

In relation to those leases under IFRS 16 a depreciation charge of £266,000 (2021: £483,000) has been recognised and an interest charge of £47,000 (2021: £142,000). The Company has incurred operating lease charges of £144,000 (2021: £78,000) in respect of leases which have less than 12 months duration or are of low value.

PLANIT SOFTWARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible assets

	Leasehold improvements	Computer, fixtures and fittings	Motor vehicles	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 January 2022	851	1,604	74	2,529
Additions	-	189	-	189
Disposals	-	-	(30)	(30)
At 31 December 2022	851	1,793	44	2,688
Accumulated depreciation				
At 1 January 2022	(275)	(1,280)	(46)	(1,601)
Charge for the year	(86)	(227)	(17)	(330)
Eliminated on disposals	-	-	30	30
At 31 December 2022	(361)	(1,507)	(33)	(1,901)
Net book value				
At 31 December 2022	490	286	11	787
At 31 December 2021	576	324	28	928

14. Investments

	2022 £000	2021 £000
Shares in group undertakings and participating interests	171	171

As part of the wider simplification of the group structure, on 15 June 2022 the Company purchased Esprit Cam Limited, another Hexagon Subsidiary from DP Technology LLP for £306,000 and on 8 September 2022 the Company dissolved its direct subsidiary undertaking Esprit Cam Limited and received a dividend in specie of £282,000 which comprised a series of intercompany balances with a face value of £282,000. The value ascribed to the intercompany receivable balances is their face value which the directors consider to be equal to their fair value. The company has recognised a loss on disposal of investment of £306,000.

Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Class of share	Holding	Principal activity
Licom Systems Srl Piazza Balla 14 10015 – Ivrea (TO)	Italy	Ordinary	50%	Software consultancy and supply
Radan CFAO SA Centre Aéroport - Aéroport de Melun Villaroche 77550 Limoges Fourches – Réau	France	Ordinary	100%	Software consultancy and supply
Vero Software B.V. Maxwellstraat 49b 6716 BX Ede	France	Ordinary	100%	Software consultancy and supply

PLANIT SOFTWARE LIMITED
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14. Investments (continued).

Licom Systems Srl is treated as a subsidiary because a significant proportion of their business is derived from sales from Planit Software Limited and therefore the directors feel able to exert control over this subsidiary.

During the year the company received dividends of £214,000 from Licom Systems Srl (2021: £128,000) and a dividend in specie of £282,000 from Esprit Cam Ltd (2021: nil).

15. Debtors

	2022	2021
	£000	£000
Trade debtors	8,234	6,350
Amounts owed by group undertakings	46,309	115,117
Other debtors	336	320
Corporation tax	259	2,116
Prepayments and accrued income	514	447
	<u>55,652</u>	<u>124,350</u>

Included within amounts owed by Group undertakings is £43,651,000 (2021: £114,440,000) cash held in group treasury accounts that is repayable without penalty within 24 hours.

16. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	243	218
Lease liabilities (see note 12)	439	403
Amounts owed to group undertakings	616	862
Other taxes and social security	900	463
Other creditors	74	70
Accruals and deferred income	12,099	10,292
	<u>14,371</u>	<u>12,308</u>

Amounts owed to group undertakings are repayable on demand and are interest free.

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

	2022	2021
	£000	£000
Lease liabilities (see note 12)	2,967	3,776
Deferred income	149	256
	<u>3,116</u>	<u>4,032</u>

18. Provisions for liabilities

	2022	2021
	£000	£000
Deferred tax	82	18
Dilapidation provision	422	385
	<u>504</u>	<u>403</u>

Dilapidation provisions are provided to cover the expected costs of returning existing sites occupied by the Company to their original condition. Any costs incurred with the existing sites are charged against the provision. The provision has not been discounted as the impact is not considered to be material.

The movement in the deferred tax provision in the year is as follows:

	£000
At 1 January 2022	18
Deferred tax charged to the profit and loss account	64
At 31 December 2022	<u>82</u>

Analysis of deferred tax

	2022	2021
	£000	£000
Difference between accumulated depreciation and amortisation and capital allowances	82	18
	<u>82</u>	<u>18</u>

19. Share-based payments

Certain employees of the Company, along with other Hexagon Group employees, have been granted options over shares in Hexagon AB during the period under share-based long-term incentive programmes (LTIP). The awards have been granted free of charge and may entitle the holder to shares in Hexagon AB in the future, subject to certain performance conditions being met and continued employment within the Hexagon group over the award vesting periods of 2020/23, 2021/24, 2022/25 for the three ongoing programmes. Further details of the Hexagon Group share programmes can be found on the Hexagon investors webpage (<https://investors.hexagon.com>).

During the period, the Company recognised a share-based payment expense of £29,000 (2021: £30,000) based on the fair value of the awards granted and recognised an equivalent credit within equity.

At the balance sheet date, a liability has been recognised in the balance sheet in respect of accrued social security costs relating to share-based payments of £59,000 (2021: £30,000).

PLANIT SOFTWARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20. Called up share capital

Authorised Share Capital

	2022		2021	
	No. 000	£000	No. 000	£000
Ordinary 'A' shares of £1 each	56	56	56	56
'B' non-voting ordinary shares of £1 each	1	1	1	1
	<u>57</u>	<u>57</u>	<u>57</u>	<u>57</u>

Allotted, called up and fully paid shares

	2022		2021	
	No. 000	£000	No. 000	£000
Ordinary 'A' shares of £1 each	<u>38</u>	<u>38</u>	<u>38</u>	<u>38</u>

21. Reserves

	Capital Redemption Reserve £000	Retained Earnings £000	Share based payments Reserve £000	Total £000
At 1 January 2022	17	114,122	202	114,341
Profit for the year	-	13,796	-	13,796
Share based payments	-	-	208	208
Dividends paid	-	(85,000)	-	(85,000)
At 31 December 2022	<u>17</u>	<u>42,918</u>	<u>410</u>	<u>43,345</u>

The capital redemption reserve represents non-distributable reserves following a purchase of the Company's own shares.

22. Dividends

During 2022 dividends were declared and paid to Vero Software Limited to the value of £85,000,000 (2021: £nil). At the date of signing these financial statements there have been no further dividends proposed or paid.

23. Pension schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £850,000 (2021: £621,000).

Contributions totalling £72,000 (2021: £70,000) were payable to the schemes at the end of the year and are included in other creditors.

24. Related party transactions

The Company has taken advantage of the exemption under IAS 24 not to provide information on related party transactions with other 100% owned undertakings within the Hexagon AB group.

25. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Vero Software Limited by virtue of its 100% shareholding.

In the opinion of the directors, the Company's ultimate parent undertaking and ultimate controlling party is Hexagon AB, a company incorporated in Sweden. This is the smallest and largest group of which the Company is a member and for which group financial statements are prepared. Copies of the financial statements are available from its registered office at the following address:

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P.O. Box 3692
SE-103 59
Stockholm
Sweden