

Iress Portal Limited

Registered in England and Wales
Company number: 02596452

Unaudited annual report and financial statements for the year ended 31 December 2021



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Corporate directory

31 December 2021

Nature of Business and Principal Activities

Iress Portal Limited provides an online comparison tool that facilitates product quotes and subsequent transactions between buyers (distributors) and sellers (providers) of financial products.

Directors

J Harris
R Kelly
J McNeil
A Morgan
A Walsh

Company secretary

R Kelly

Registered Office (to 3 April 2022)

1 Kingmaker Court
Warwick Technology Park
Warwick
CV34 6DY

Registered Office (from 4 April 2022)

Honeybourne Place
Jessop Avenue
Cheltenham
Gloucestershire
GL50 3SH

Parent company

Iress FS Limited

Ultimate holding company

Iress Limited

Auditor *

Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham
United Kingdom

* The auditor of the holding company in the UK Group – Iress UK Holdings Limited, and the ultimate holding company in Australia, Iress Limited

Strategic report

For the year ended 31 December 2021

The Directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

Review of operations

Iress Portal Limited ('the Company') comprises an online comparison tool (Exchange Portal) that facilitates product quotes and subsequent transactions between buyers (distributors) and sellers (providers) of financial products.

The Exchange Portal provides access to comparison quotes from some of the largest providers in the market, allowing distributors to demonstrate that they have researched the entire market and selected the most appropriate product for their customers. Given the substantial data available within the Exchange Portal and other areas of the business, the Company has developed a data analytics proposition which provides proprietary information to providers and distributors regarding product pricing and consumer demand.

No dividends were proposed or paid during the year (2020: £35.0 million).

Future developments

There remains a continued focus on growth across the Group, through implementation of Iress products to new and existing customers, ultimately resulting in a recurring licence fee for the Iress software.

Key Performance Indicators

In order to realise its strategic aims, the Company has identified areas of particular focus and has put into place a number of Key Performance Indicators (KPIs) to measure and assess progress against them. The following indicators are calculated for the continuing operations of the Company and before exceptional items:

	2021	2020	%
	£'000	£'000	up/(down)
Revenue	18,288	18,984	(3.7)%
Profit for the year	8,135	2,271	258.2%
Net assets	8,248	113	7199.1%

Profit for the year has increased by £5.9m million due to a reduced tax charge in the year as a result of group tax relief, and reduced transfer pricing charges compared to the prior year.

Impact of Brexit on the Company

There has been no significant impact of Brexit noted on the Company's performance to date. Given the predominantly domestic focus of UK clients, the Company does not expect a significant direct Brexit impact. The Company is exposed to indirect economic impacts such as changes to the legislative landscape that are not expected to be significant but are harder to predict and are therefore being closely monitored.

Impact of COVID-19 on the Company

There have been some delays in client implementations during 2021 but given the high proportion of recurring revenue and the cash generative nature of the business the Group does not expect a significant direct impact. The Company is exposed to indirect economic impacts that are harder to predict and are being closely monitored.

The Company harnessed existing technology to swiftly and seamlessly move all areas of the business to home working.

Impact of war in Ukraine and Russian Sanctions

There has been no significant impact noted on the Company's performance to date. Given the predominantly domestic focus of UK clients, the Company does not expect a significant direct impact. The Company is exposed to indirect economic impacts that are harder to predict and are therefore being closely monitored.

Employees

The Company had no direct employees during the current and prior year.

Strategic report (continued)

For the year ended 31 December 2021

Principal risks and uncertainties

Iress Portal Limited, as part of Iress Limited (The Ultimate Parent in Australia), has an active and robust corporate governance programme designed to manage strategic and tactical risks which could impact the business. Risks are clearly identified and monitored on a regular basis.

Although resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely certain that such procedures will be effective in preventing fraud.

The key risks and uncertainties currently facing the Company relate to managing competitor and operational risk effectively.

Risk	
Information security breach and failure of critical systems	<p>Due to the nature of Iress' business, the Group could be impacted significantly by the failure of critical systems, whether caused by error or malicious attack.</p> <p>Iress has increased its investment in information security in recent years in response to the increased sophistication of cyber terrorists, the increased reliance on our solutions by our customers and increased regulatory pressure.</p> <p>Iress has a dedicated information security function across all jurisdictions, Board oversight through the Ultimate Parent company's Audit & Risk Committee and executive oversight via the Executive Risk Committee and Chief Information Security Officer.</p> <p>Iress' controls, audit and governance provide a framework for actively identifying gaps, new exposures and the development of appropriate treatment plans.</p> <p>Network and malware scanning and mandatory information security awareness training is in place across the business.</p> <p>Comprehensive disaster recovery procedures are in place.</p> <p>Iress Global Information Security Management System (ISMS) is certified by independent audit to meet the global ISO 27001 standard.</p>
Economic climate	<p>Economic conditions, domestically and internationally, can impact client revenue and accordingly, client demand for Iress' systems.</p> <p>The impact of COVID-19 on the Group is considered on page 3.</p> <p>The UK left the European Union on 1 January 2021.</p> <p>This risk is mitigated at an Ultimate Parent level by Iress' diverse geographic presence and the Groups diverse product portfolio. In the UK, revenue is over 80% recurring (2020: over 80 % recurring) and our software is an integrated part of our clients' businesses. As seen through the COVID-19 pandemic, this revenue remains stable, even under deteriorating economic conditions.</p> <p>The impact of COVID-19 is mitigated by the recurring revenue base and cash generative nature of the Group and the Ultimate Parent. During 2020, the Ultimate Parent refinanced their debt facilities and successfully raised equity to fund acquisitions.</p> <p>The Group largely has a UK client base and has therefore seen minimal direct impact of Brexit. Indirect impacts such as the legislative landscape are not expected to have a significant impact on the Group, but continues to be monitored.</p>
Regulation	<p>Regulation can impact Iress and its clients because regulation increases the cost of doing business, or because regulation results in structural changes, including consolidation or fragmentation, both of which can impact Iress client engagements.</p> <p>Iress' risk management strategy includes the close monitoring of regulatory developments globally.</p> <p>Iress is pro-actively engaged in the development of new and existing relationships with relevant regulatory stakeholders, policy makers, and media groups to monitor the regulatory landscape.</p> <p>This strategy is focused on limiting potential impacts of regulatory development so that Iress may continue to service its global markets and efficiently respond to compliance requests.</p>
Market or technology risk	<p>The risk of a pronounced shift in technology or a pronounced change in the way market segments organise themselves and make use of Iress' products or solutions.</p> <p>Iress endeavours to manage this risk by maintaining a highly skilled and educated technology organisation and by exploring the potential utilisation or impact of emerging technologies.</p> <p>Iress endeavours to manage market change by maintaining a high degree of engagement with its customers. In this regard Iress is fortunate that its customer base, being distributed geographically and made up of highly sophisticated industry representatives, is likely to be at the forefront of industry change and evolution.</p>

Strategic report (continued)

For the year ended 31 December 2021

Principal risks and uncertainties (continued)

Reputation Risk	<p>Iress provides solutions to the financial services industry. The financial services industry is subject to significant public focus, media attention and government review. The use of technology within financial services businesses, and especially its role in processing and storing sensitive personal information, can expose both the financial services provider and providers of technology such as Iress, to reputational risk if there is a failure in a critical system or process or the release by error or mischief of personal data.</p>	<p>Mitigation of technology risk lies at the heart of Iress' information security function (refer to comments above under Information Security) and software development practices. The latter includes rigour in architecture, code development and testing. Iress does not outsource development of core technology, maintaining direct oversight and control.</p>
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Business relationship with customers

The Company places customers at the heart of everything we do and the Board is committed to considering the customer impact of every decision made. Our software is central to our customers' businesses and maintaining the value of the Iress brand protects the recurring revenue base.

The Directors and senior management receive regular updates regarding customer relationships including customer feedback surveys.

The Iress Community is an online community for users of Iress software. It has provided customers and users with access to help and best practice documentation as well as access to our experts and regular updates about our software and its releases.

Business relationship with suppliers

The Company is committed to treating all our suppliers fairly.

We endeavour to pay all suppliers in line with their payment terms and, where this is not possible, we take steps to minimise the impact on the supplier.

Impact on community


Since its launch, the Iress Foundation has amplified the community support and charity activities our people were already championing, including a Workplace Giving Programme called the Iress Foundation Giving Platform. The platform provides our people with a central information source of Foundation initiatives and an easy way to get involved in Foundation activities and donate to Foundation causes. Its comprehensive analytics and reporting provide us with a deeper understanding of how our people get involved and which causes matter to them the most.

The Company has a long standing tradition of investing in local communities including programmes to support local charities and their initiatives. Through the Iress Matching Initiative, where the Company matches monies raised for charities, we support people at Iress who want to focus on causes that are close to their hearts. We also give eligible members of our team three days of Iress Foundation Leave each year to help them give back to Iress Foundation supported charitable organisations.

Impact on environment

Iress is an office based technology company, so the impact on the environment is driven by energy use in the offices, domestic travel to clients and international travel to Australia, South Africa, Canada and France where other Iress offices are based. Details of UK emissions and energy consumption are disclosed in the consolidated accounts of Iress UK Holdings Limited.

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



A Morgan
Director
Cheltenham
8 August 2022

Directors' report

For the year ended 31 December 2021

The Directors of Iress Portal Limited submit the annual financial statements for the year ended 31 December 2021.

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Political contributions	None	
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Directors' indemnities

The Group made qualifying third-party indemnity provisions during the year and they remain in force at the date of this report. The third-party indemnity provisions were for the benefit of the Directors of the Group, its subsidiaries, the Ultimate Parent and fellow subsidiaries.

Going concern

The Directors of the Company maintain a cash flow forecast for a year beyond the date of authorising these financial statements. This cash flow forecast has been sensitised to allow for unexpected revenue delays as a result of the impact of COVID-19 and this indicates that there are no reasonably plausible downside scenarios resulting in the Company having insufficient cash reserves to meet its obligations as they fall due for at least a year from the date of signing these financial statements.

In the remote event that funding is required, the Directors of the Ultimate Parent have provided a letter of support to the Company and its subsidiaries which states that the Ultimate Parent:

- continues to support and provide additional finance to the Group for at least a year from the signing date of the financial statements; and
- will not demand payment of loans until such time as the subsidiary is able to repay such amounts without detriment to its operation as a going concern.

Following reasonable enquiries, the Directors of the Company have an expectation that the Ultimate Parent has access to adequate resources to continue in operational existence for the foreseeable future. As part of their comprehensive assessment of whether the Ultimate Parent is a going concern, the Directors have reviewed the Ultimate Parent's cash flow and solvency forecasts for at least a year from the date of authorising the financial statements and confirmed that the Ultimate Parent is both cash generative and able to raise funds via debt and equity to fund operations and acquisitions. This was evidenced in 2020 (post the onset of COVID-19) by successfully refinancing debt and raising equity to fund acquisitions.

Directors' report (continued)

For the year ended 31 December 2021

Events subsequent to the Statement of Financial Position date

There has been no significant impact of Coronavirus noted on the company's performance to date. Given the high proportion of recurring revenue and the cash generative nature of the business the company does not expect a significant direct impact. The company is exposed to indirect economic impacts that are harder to predict and are being closely monitored.

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations the state of affairs of the Company in future financial years.

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



A Morgan
Director
Cheltenham
8 August 2022

Directors' responsibilities statement

For the year ended 31 December 2021

The Directors are responsible for preparing the Annual 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 Company financial statements in accordance with international accounting standards in conformity with requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. The Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing the Company 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

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.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

		2021	2020
	Notes	£'000	£'000
Turnover	2	18,288	18,984
Customer data fees		(705)	(1,006)
Employee benefits expense	2	(10,719)	(10,134)
Depreciation and amortisation expense	5(a)	(2)	(1)
Other operating expenses	2	1,262	(1,410)
Profit before tax expense		8,124	6,433
Tax benefit/(expense) on profit from ordinary activities	4	11	(4,162)
Profit for the year		8,135	2,271

The above statement of profit or loss should be read in conjunction with the accompanying notes.

The Company has no recognised gains or losses other than the profit for the current year and prior period, which arose solely from continuing operations. Accordingly, a statement of other comprehensive income has not been prepared.

Statement of Financial Position

As at 31 December 2021

	Notes	2021 £'000	2020 £'000
ASSETS			
Current assets			
Cash at bank and in hand		860	472
Trade and other receivables	7(a)	710	925
Trade receivables from related parties	7(a)	90,032	75,266
Total current assets		91,602	76,663
Non-current assets			
Intangible assets	5	2	4
Deferred tax assets	4	241	230
Total non-current assets		243	234
Total assets		94,924	76,897
LIABILITIES			
Current liabilities			
Trade and other payables	7(b)	(319)	(387)
Current tax payables	7(b)	-	(921)
Trade payables due to related parties	7(b)	(86,357)	(75,476)
Total current liabilities		(86,676)	(76,784)
Net assets		8,248	113
EQUITY			
Share capital	8	-	-
Profit and loss account		8,248	113
Total equity		8,248	113

The above statement of financial position should be read in conjunction with the accompanying notes.

The Company is entitled to exemption from audit under Section 479a of the Companies Act 2006 for the year ended 31 December 2021 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions under Part 15 of the Companies Act 2006 applicable to medium sized companies.

The financial statements of Iress Portal Limited (registered number 02596452) were approved for issue by the Board of Directors on 8 August 2022.

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



A Morgan
Director
Cheltenham
8 August 2022

Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital ⁽¹⁾	Profit and loss account	Total equity
£'000	£'000	£'000	£'000
Balance at 1 January 2020	-	32,842	32,842
Profit for the year, representing total comprehensive income for the year	-	2,271	2,271
Total comprehensive income for the year	-	2,271	2,271
In-specie dividends declared and paid	-	(35,000)	(35,000)
Balance at 31 December 2020	-	113	113

	Share capital ⁽¹⁾	Profit and loss account	Total equity
£'000	£'000	£'000	£'000
Balance at 1 January 2021	-	113	113
Profit for the year, representing total comprehensive income for the year	-	8,135	8,135
Total comprehensive income for the year	-	8,135	8,135
Balance at 31 December 2021	-	8,248	8,248

The above statement of changes in equity should be read in conjunction with the accompanying notes.

⁽¹⁾ Share capital comprises 100 ordinary shares of £1 each. There were no changes to the authorised or issued capital during the year.

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

Company information

Iress Portal Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Strategic and Directors' Report on pages 3 to 7.

These unaudited financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates and are rounded to the nearest £'000.

These financial statements are separate financial statements. The Company is included in the group financial statements of Iress UK Holdings Ltd and Iress Limited which are publicly available.

Copies of the Iress UK Holding Ltd consolidated financial statements may be obtained from Companies House.

Copies of the Iress Limited consolidated financial statements may be obtained from the Company Secretary, Iress Limited, Level 18, 385 Bourke Street, Melbourne VIC 3000.

In the opinion of the Directors, the ultimate controlling party is Iress Limited.

(a) Accounting convention

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council ("FRC").

These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the FRC.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of Iress Limited which are available to the public and can be obtained from the address in Company Information above.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

(b) Revenue

Revenue is generated mostly from UK customers. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The Group's revenue mainly arises from services rendered or access to software.

Licence revenue from a contract to provide access to use of the software is recognised once access is granted and spread over the licence period.

Revenue from a contract to provide services is recognised by reference to the performance obligation of the contract.

The performance obligation of the contract is determined as follows:

- installation fees are recognised by reference to the performance obligation of the installation, determined as the proportion of the total time expected to install that has elapsed at the Statement of Financial Position date;
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses incurred.

Interest income is accrued on a time proportion basis by reference to the principal balance outstanding and the interest rate applicable.

Notes to the financial statements (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

(c) Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(d) Critical accounting judgements and key sources of estimation uncertainty

The areas where a higher degree of judgement or complexity arises are revenue recognition on long-term contracts, and recognition and measurement of deferred tax.

2. Operating profit

Included in profit before interest and taxation are the following items:

	2021	2020
	£'000	£'000
Revenue		
Information revenue	18,207	18,964
Non-recurring revenue	81	20
Total revenue	18,288	18,984
	2021	2020
	£'000	£'000
Employee benefit expenses		
Employee benefits expense	(9,754)	(9,278)
Pension expense	(965)	(843)
Termination benefits	-	(13)
Total employee benefit expenses	(10,719)	(10,134)
	2021	2020
	£'000	£'000
Other operating expenses		
Technology expenses	(44)	(54)
Operating lease charges on contractual premises	(58)	(301)
Office utilities	(71)	(332)
Legal fees	-	(1)
Marketing	-	(1)
Trade debtors written off	(25)	(20)
Doubtful debts reversal/(allowance)	4	(20)
Intercompany charges	1,460	(678)
Other expenses including administration expenses	(4)	(3)
Total other operating expenses	1,262	(1,410)

No audit fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements (2020: £Nil). Auditor fees were paid by its ultimate parent company, Iress Limited.

Notes to the financial statements (continued)

For the year ended 31 December 2021

3. Employees

All Directors of the Company were employed and remunerated by other companies within the Iress Limited Group. The Company had no direct employees during the current and prior year.

4. Taxation

Total corporation tax expense or benefit comprises current and deferred tax recognised in the income statement in the period.

Current tax

Current tax represents the entity's expected tax payable/receivable for the period in respect of income and expenses which have been recognised in the income statement.

Current tax comprises expected tax payable/receivable on the entity's taxable income/loss which is recognised in the income statement in the current period, as well as any adjustments to tax payable/receivable recognised in the current period which relate to taxable income/loss recognised in the income statement in prior periods.

Current tax is measured using the applicable corporation tax rates which are enacted, or substantively enacted, at the reporting date in the countries where the company's subsidiaries and associates operate.

Deferred tax

Deferred tax represents the movements in deferred tax assets and liabilities which have been recognised in the period and which are attributable to amounts recognised in the income statement in the current period, as well as amounts recognised in the income statement in prior periods. Deferred tax assets and liabilities are attributable to temporary timing differences between the carrying amount of assets and liabilities recognised for financial reporting purposes and the tax base of assets and liabilities recognised for tax purposes.

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be realised. Deferred tax liabilities are recognised for all assessable temporary differences as required by accounting standards.

Deferred tax is determined using tax rates which are expected to apply when the deferred tax asset/liability is expected to be realised/settled based on laws which have been enacted or substantively enacted at the reporting date. The measurement of deferred tax also reflects the tax consequences flowing from the manner in which the entity expects, at the reporting date, to realise or settle the carrying amount of its assets and liabilities.

Critical accounting judgements with respect to deferred tax balances:

The recognition and measurement of deferred tax requires the application of judgement in assessing the amount, timing and probability of future taxable profits and repatriation of retained earnings. These factors affect the determination of the appropriate rates of tax to apply and the recoverability of deferred tax assets. These judgements are influenced, inter alia, by factors such as estimates of future revenue, operating costs, future capital expenditure, and dividend policies.

Notes to the financial statements (continued)

For the year ended 31 December 2021

4. Taxation (continued)

(a) The Company's tax expense or benefit is as follows:

	2021	2020
	£'000	£'000
Corporation tax expense recognised in profit or loss		
Current tax		
Current tax charge	-	4,000
Adjustments in respect of current tax of the previous year	-	153
Deferred tax		
Origination and reversal of temporary differences	(11)	16
Adjustments in respect of deferred tax of the previous year	-	(7)
Corporation tax (benefit)/expense attributable to profit from continuing operations	(11)	4,162

b) Numerical reconciliation of income tax expense to prima facie tax payable:

Corporation tax is calculated at 19.0 per cent (2020: 19.0 per cent) of the estimated taxable profit for the year. The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2021	2020
	£'000	£'000
Profit from continuing operations before corporation tax expense	8,124	6,433
Tax at the statutory tax rate of 19.00% (2020: 19.00%)	1,544	1,222
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax effect of group relief received for nil payment	(1,503)	2,822
Other	(52)	(28)
Adjustments for deferred tax of prior years	-	(7)
Adjustments for current tax of prior years	-	153
Corporation tax (benefit)/expense	(11)	4,162

(c) Deferred tax balances comprise of:

For the year ended	Opening balance	Charged to income	Closing balance
31 December 2020	£'000	£'000	£'000
Deferred tax assets			
Trade and other receivables	-	11	11
Plant and equipment	239	(20)	219
Total deferred tax assets	239	(9)	230
For the year ended	Opening balance	Charged to income	Closing balance
31 December 2021	£'000	£'000	£'000
Deferred tax assets			
Trade and other receivables	11	(1)	10
Plant and equipment	219	12	231
Total deferred tax assets	230	11	241

Notes to the financial statements (continued)

For the year ended 31 December 2021

4. Taxation (continued)

(d) Factors which may affect future taxation:

On 3 March 2021, the Chancellor of the Exchequer delivered his Budget Statement. The measures announced included an increase in the standard rate of corporation tax from 19% to 25% with effect from 1 April 2023, and this was substantively enacted on 24 May 2021. We have reflected the impact of this change with respect to the deferred tax balances above, taking into consideration the likely timing of the reversals of deferred tax assets and liabilities. The Group expects its effective tax rate in the future to be affected by the impact of changes in tax law.

5. Intangible assets

Intangible assets comprise computer software and capitalised development costs. Additions are included at cost and are amortised only when ready for use. Software and capitalised development costs are amortised evenly over their estimated economic life between 3 to 5 years.

The carrying values of intangible assets are reviewed for impairment wherever circumstances indicate that the carrying value of such assets may not be recoverable.

Software development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of development are charged to the profit and loss account as incurred.

	Notes	2021 £'000	2020 £'000
Balance at end of the year			
Cost		3,147	3,147
Accumulated depreciation		(3,145)	(3,143)
Carrying amount		2	4
Movement for the year			
Balance at the beginning of the year		4	5
Amortisation expense		(2)	(1)
Balance at the end of the year		2	4

Notes to the financial statements (continued)

For the year ended 31 December 2021

6. Tangible fixed assets

Tangible fixed assets comprise computer equipment and furniture and fixtures. Additions are included at cost and are depreciated only when ready for use.

Computer equipment depreciates evenly over their estimated economic life between 3 to 10 years.

The carrying values of fixed assets are reviewed for impairment wherever circumstances indicate that the carrying value of such assets may not be recoverable.

	2021	2020
	£'000	£'000
Balance at end of the year		
Cost	-	-
Accumulated depreciation	-	-
Carrying amount	-	-
Movement for the year		
Balance at the beginning of the year	-	-
Disposals	-	(211)
Depreciation on disposals	-	211
Balance at the end of the year	-	-

7. Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and liabilities are classified into the following categories:

- Loans and receivables – subsequently measured at amortised cost
- Other financial liabilities – subsequently measured at amortised cost

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Notes to the financial statements (continued)

For the year ended 31 December 2021

7. Financial instruments (continued)

(a) Trade and other receivables

	2021	2020
	£'000	£'000
Amounts falling within one year:		
Trade receivables	254	593
Allowance for doubtful debts	(52)	(57)
Unbilled income	451	361
Employee benefits	47	46
Other assets	10	(18)
Total trade receivables falling within one year	710	925
	2021	2020
	£'000	£'000
Amounts due from group undertakings		
Trade receivables with Proquote Limited	320	317
Trade receivables with Iress FS Limited	84,561	69,798
Trade receivables with Iress FS Group Limited	13	13
Trade receivables with Iress (UK) Limited	5,138	5,138
Total receivables from related parties	90,032	75,266
Total receivables and other assets	90,742	76,191

The carrying amount of trade and other receivables approximates their fair value, and the Company has no material exposure to credit risk.

Trade receivables from related parties are due on demand and no amounts are considered past due or impaired.

Notes to the financial statements (continued)

For the year ended 31 December 2021

7. Financial instruments (continued)

(b) Trade and other payables

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade payable	(24)	(38)
Trade payable other	(21)	(67)
Accrued expenses	(209)	(225)
Deferred revenue	(65)	(57)
Current tax payables	-	(921)
Total payables falling due within one year	(319)	(1,308)
	2021	2020
	£'000	£'000
Amounts due to group undertakings		
Related party trade payables to Proquote Limited	(2,462)	(2,462)
Related party trade payables to Iress FS Limited	(83,895)	(73,014)
Total payables due to group undertakings	(86,357)	(75,476)
Total of amounts falling due within one year	(86,676)	(76,784)

The fair value of trade and other payables approximates the carrying value and interest is charged at commercial rates on the outstanding monthly balance.

Amounts due to group undertakings are payable on demand.

Liquidity is managed by having an undertaking from the parent company to support the Company to settle any undertaking with other group companies as required to ensure the Company remains solvent. Liquidity risk is proactively managed by regularly assessing working capital requirements and monitoring cash flows.

8. Share capital

	2021	2020
	£	£
Authorised, issued and fully paid:		
100 Ordinary shares of £1 each	100	100
	100	100
Movement for the year		
Balance at the beginning of the year	100	100
	100	100

There were no changes to the authorised or issued capital during the year ended 31 December 2021.

Notes to the financial statements (continued)

For the year ended 31 December 2021

9. Commitments

The Company has the following operating lease commitments as at 31 December 2021:

	2021	2020
	£'000	£'000
Commitments for minimum lease payments for non-cancellable operating leases are payable as follows:		
Within one year	-	119
	-	119

10. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2021 (2020: £Nil).

11. Going concern

The ultimate parent, Iress Limited, has confirmed it will provide financial support to the Company to ensure that it can meet all of its liabilities as they fall due for a period of at least one year following the signature date of these financial statements.

On the basis of support from the ultimate parent, the Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Directors have considered a period of at least 12 months from the date of authorising the financial statements.

12. Events subsequent to the Statement of Financial Position date

There has been no matter or circumstance which has arisen since the end of the financial year which has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent years.