

# Jonas Computing (UK) Limited

Annual Report and Consolidated Financial Statements

For the year ended 31 December 2021

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# JONAS COMPUTING (UK) LIMITED

## COMPANY INFORMATION

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**Directors**

B A Symons  
J R MacKinnon  
S R Saklad (Resigned on 29th April 2022)  
D P Boxall  
R Clancy

**Secretary**

J Belghoul

**Company number**

05301607

**Registered office**

Gladstone House  
Hithercroft Road  
Wallingford  
Oxfordshire  
OX10 9BT

**Independent auditors**

James Cowper Kreston  
Chartered Accountants and Statutory Auditors  
2 Communications Road  
Greenham Business Park  
Greenham,  
Newbury  
RG19 6AB

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# **JONAS COMPUTING (UK) LIMITED**

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# **JONAS COMPUTING (UK) LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Introduction**

The Directors present their Strategic Report and Financial Statements for the year ended 31 December 2021.

Jonas Computing (UK) Limited and its subsidiaries ("the Group") are wholly owned subsidiaries of Constellation Software Inc. a Canadian Company listed on the Toronto Stock Exchange ("TSX").

As wholly owned subsidiaries, the Group benefits from the operational and financial support of its ultimate parent, Constellation Software Inc., and its intermediate parent company, Gary Jonas Computing Ltd ("Jonas"). Jonas is the leading provider of enterprise management software solutions to the Club, Leisure Fitness and Sports, Salon and Spa, Foodservice, Construction, Attractions, Metal Service Centres, Moving and Storage, Education, Hotel and Hospitality, Camps, Event Management, Radiology/Laboratory Information Systems, Consumer Product Licensing, Payment Processing, Dynamic Case Management, Wine POS, Marina, Manufacturing, Managed Print Services, Legal, Email Marketing, Elevator Maintenance, Early Intervention, Medical Technology and Retail industries.

### **Principal risks and uncertainties**

*In addition to the many markets that Jonas operates in, Jonas Computing (UK) Limited ("Jonas UK") operates in a wide range of markets and industries itself, resulting in risks and uncertainties being diversified throughout its portfolio.*

#### *Education*

Main competitors operate an overly aggressive pricing policy to gain market share. To mitigate this risk, the strategy is to provide best value to their clients over the whole life of a system. Continuing to secure existing clients and win new business by investing in and delivering their "Software for Life" promise. A promise which ensures that customers never have to pay for software upgrade again, whilst continuing to benefit from the extensive investment in continual product development focused on the needs of their business.

Client purchasing activity has been significantly reduced in the first quarter of 2021 because of the Covid 19 Pandemic and subsequent global economic downturn. This was coupled with the impact of school closures and an uncertain phased return to normal service and activities. Sales picked up in quarter two of 2021 as schools re-opened and activity started to normalise. Sales activity returned to normal levels by the latter part of the year. We anticipate 2022 will bring more sales as the education sector makes its return to some form of normality and schools remain open.

#### *Retail*

Client purchasing activity was significantly reduced in 2020 because of the global economic downturn, coupled with trading restrictions imposed on the market, however 2021 saw a steady increase towards normal levels. A potential upcoming recession could slow that return to pre pandemic trading levels.

Competitive pressure is a continuing risk for the Company, which could result in it losing sales to its key competitors. To manage this risk, the Company strives to provide added-value products and services to its customers; prompt response times in the supply of products and services and in the handling of customer queries; and through the maintenance of strong relationships with customers; and adapting software products to meet customer needs.

## **JONAS COMPUTING (UK) LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

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#### *Packing*

Greycon is a group of global companies which are all subsidiaries within the Group that has customers in over 40 different countries and in all continents (with offices in each of the continents). Most of the customers are in the Packaging Industry (paper, plastic film, converting), Nonwovens and Metals and outside of the UK. The solutions we offer are critical for the optimisation and the execution of the production operations for these customers. This niche industry and solution as well as the global presence remains Greycon's strength and continues to present several growth opportunities. In addition, we continue to make incremental enhancements and extensions to our products to sustain a long-term growth.

In terms of the risks, we have identified increased competition (with some low-costs players local to some countries), the manufacturing industry experiencing some uncertainties given increasing raw materials and energy costs or resources shortages, exchange rate fluctuation or global inflation. The packaging industry did well and benefited from the COVID pandemic (in fact, the Packaging Industry and the Nonwoven manufacturing are often an essential part of the supply chain of the food, medical or hygiene products which were in high demand) but the inflation in raw materials and energy costs might have an adverse impact.

We continue to serve all the customers at the same level and offer additional services to support their operations. In the meantime, the company continues to develop its products and services offering as well as strengthen its expertise or its global presence to maintain the competitive advantage and actively assess any change in demand or global economy trends, how these can be mitigated and take corrective action.

#### *Health & Leisure*

The impact of COVID-19 pandemic on the sector has started to reduce however during the first quarter operators remained fully locked down and in the subsequent quarters were still continuing to operate at a reduced capacity for the remainder of the year, with the general public still nervous of returning to gyms and leisure centres. New features continue to be launched to support operators and uptake has steadily increased as the industry starts its recovery however numbers are still well below pre-Covid levels.

The public sector continues to see a shift in leisure operation contracts moving back inhouse from third party operators. Further closures during the year across the private and public sectors for less profitable sites. The businesses have benefited from public sector operations moving back inhouse with an increase in project spend.

We have seen budgets start to squeeze due to the increase in costs for operators, particularly utility costs which are having a significant impact across the sector and this is expected to remain a challenge in the near future.

There has been further entrants into the software space during the year with less fully featured products focusing on smaller gym only operators. Barriers to entry for public sector remains high and our continued investment in modernisation reinforces our position as we start to return to growth in 2022.

The strategic development plan focuses on new applications, whilst continuing to service existing customers' needs which has aided the strong sales performance. The COVID-19 pandemic has seen requirements to pivot quickly to focus on new features and functions that will aid the sector's recovery and open up new revenue opportunities. The business is well positioned and structured to respond quickly in an agile way and leverage these opportunities. This agile response continues with an increased level of long-term contracts with existing customers in response to any financial assistance

## JONAS COMPUTING (UK) LIMITED

### STRATEGIC REPORT (CONTINUED)

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requested through further lockdown periods. These contracts go further to strengthen Gladstone's position in the market.

#### *Metals*

The Metals industry is still in flux with the effects of the war in Ukraine now compounding the situation caused by the pandemic. The loss of access to Russian steel with sanctions alongside the destruction and disruption of Ukraine's supply has been compounded by China experiencing additional Covid variants. The loss of Russian and Ukraine steel means the third-largest suppliers of steel have effectively been removed from the western markets and the lockdowns applied by China with the new variants have caused significant reductions in material availability. Rising energy prices have also been a factor in driving metal prices to their highest level since 2008.

Profit levels of distribution companies have reached record highs with the major groups able to negate the issues by switching to alternatives reasonably rapidly. The pressure on working capital will continue to increase with only well-funded companies with real trading profitability seeing this crisis through. That said, order levels in the UK are good.

#### **Financial key performance indicators**

In alignment with Group policy, the Group considers its Key Performance Indicators ("KPIs") to be those which drive shareholder value, namely Net Revenue Growth ("NRG"), being the year-on-year movement in gross profit, and EBITA.

	2021	2020
Growth in gross profit	19.54%	7.39%
EBITA	£17,291,570	£17,022,138

Net Revenue and profits continue to grow as Jonas UK develops and strengthens its existing Companies along-side acquiring new Companies to expand the portfolio.

In addition to the above KPIs, the Group also pays close attention to its net current assets position. Jonas requires that the Group is party to a central corporate treasury function which allows the Group to centrally manage its liquidity and financial risks whilst ensuring capital is deployed globally in the most effective manner. However, this can mean that locally the financial strength of the Group is not necessarily conveyed by the net current asset position when reading these financial statements in isolation. To fully understand the size and strength of the corporate group of which the Group is a part, these financial statements should be read in conjunction with those of Constellation Software Inc.

#### **Future developments**

Jonas UK plans to continue to grow organically through the development of its current portfolio of Companies, ensuring strong customer service, competitive products and investment in their people. In addition to this, they will continue to deploy capital into the acquisition of new Companies to strengthen and expand their portfolio of businesses.

## **JONAS COMPUTING (UK) LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

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This report was approved by the board on 11 August 2022 and signed on its behalf.

DocuSigned by:



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**D P Boxall**

Director

# **JONAS COMPUTING (UK) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Directors present their Report and Financial Statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the Company was that of software solutions and services to the club and hospitality market. *The principal activity of the Group was the provision of computer software and consultancy services across a range of markets.*

#### **Directors**

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

B A Symons

J R MacKinnon

S R Saklad (Resigned on 29<sup>th</sup> April 2022)

D P Boxall

R Clancy

#### **Qualifying third party indemnity provisions**

The company and its subsidiaries have made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Results and dividends**

The results for the period are set out on page 13.

Ordinary dividends of £6,588,151 (2020 - £13,197,652) were paid. The directors do not recommend payment of a final dividend (2020 - £nil).

#### **Going concern**

The consolidated financial statements have been prepared on the going concern basis which assumes that the Group will continue in operational existence for the foreseeable future. The directors have reviewed the working capital requirements of the group for a period of at least 12 months from the anticipated date of signing of the financial statements and are satisfied that the Group will be able to meet its liabilities as they fall due.

The Group's forecasts for the period of 12 months following the approval of the financial statements has been reviewed, and accordingly the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

Forecasts have been built on a detailed bottom-up approach; revenue based on pipeline, contracts, customer, and market knowledge, and with costs being based on historic data, future plans and knowledge of the industry.

#### **Auditors**

The auditors, James Cowper Kreston will be proposed for reappointment with section 485 of the Companies Act 2006.

#### **Strategic Report**

The Directors have chosen in accordance with section 414C(11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the Group.



## **JONAS COMPUTING (UK) LIMITED**

### **DIRECTORS REPORT (CONTINUED)**

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#### **Statement of disclosure to auditors**

So far as the Directors are aware, there is no relevant audit information of which the Group and Company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Group and Company's auditor are aware of that information.

#### **Greenhouse gas emissions, energy consumption and energy efficiency action**

Jonas Computing (UK) Limited closed their offices at the beginning of 2021, and therefore do not meet the threshold for disclosure in the current year.

Jonas Computing (UK) Limited's subsidiary companies are exempt from the requirement to disclose this information.

#### **Section 172 statement**

##### *Introduction*

The Group's business model and strategy is to acquire vertical market software companies and to develop and improve their operations, along with supporting their products for life. The Group share expertise and best practise through the diverse range of companies and teams, adding to Jonas' success and to the benefit of its members.

##### *Employees*

Jonas believes that its employees are the most important resource, and this can be seen in the UK's Training and Development Initiative, which provides a huge range of accessible training to all teams and levels across the UK. In addition to this, Jonas has a high level of centralised resources and policies available to all employees to ensure support is always available. In particular, since Covid -19, Jonas has ensured that an employee wellbeing strategy is in place to promote and focus on the health and wellbeing needs of our employees.

##### *The Group's business relationships*

The Group's business relationships with suppliers, customers and their partners are committed to at a business unit level, where Jonas can understand their specific needs in relation to theirs and our operations. Jonas engages with its customers, suppliers and partners regularly through meetings, calls, surveys, conferences and other events throughout the year.

Jonas is committed to working with its customers to deliver social value through impactful engagement within their local communities.

At a Group level, Jonas has invested in a Third Party Risk Assessment platform to assess and record Modern Slavery risk throughout the UK, and to enhance our knowledge of our partners.

Centralised retention and disposal policies are also applied in relation to our computer hardware to ensure that these assets are managed responsibly, partners such as a specialist WEEE recycling organisation are used.

##### *Business Operations*


Management operate the businesses within the Group in a responsible manner by maintaining high standards of business conduct, and its intention is to consider all members of the Group equally and fairly.

# **JONAS COMPUTING (UK) LIMITED**

## **DIRECTORS REPORT (CONTINUED)**

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On behalf of the board

DocuSigned by:  
  
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**D P Boxall**  
Director

Date: 11 August 2022

## **JONAS COMPUTING (UK) LIMITED**

### **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected under Company law to prepare Group financial statements in accordance with UK-adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Accounting Standards and applicable law).

The Group and Company financial statements are required by law and UK-adopted international accounting standards to present fairly the financial position and performance of the Group and the Company; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

In preparing each of the Group and 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;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- state whether Financial Reporting Standards 101 Reduced Disclosure Framework have been followed in relation to the Company's financial statements, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JONAS COMPUTING (UK) LIMITED**

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### **Opinion**

We have audited the financial statements of Jonas Computing (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Parent company Statement of Financial Position, the Parent company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JONAS COMPUTING (UK) LIMITED (CONTINUED)**

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opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JONAS COMPUTING (UK) LIMITED (CONTINUED)**

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### **Auditor's responsibilities for the audit of the financial statements**

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of Group and Company staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JONAS COMPUTING (UK) LIMITED (CONTINUED)**

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### **Use of our report**

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



Jonathan Baillie BA (Hons) FCCA ACA (Senior Statutory Auditor)

For and on behalf of  
James Cowper Kreston

2 Communications Road  
Greenham Business Park  
Newbury  
Berkshire  
RG19 6AB

11/08/2022

**JONAS COMPUTING (UK) LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>Continuing operations</b>			
Revenue	2	75,000,717	61,865,015
Cost of sales	3	(11,407,208)	(8,666,191)
<b>Gross profit</b>		63,593,509	53,198,824
Administrative expenses	3	(54,961,930)	(47,521,135)
Other operating income	4	603,248	2,600,011
<b>Operating profit</b>		9,234,827	8,277,700
Finance income	7	2,665	1,797
Finance costs	8	(328,233)	(423,008)
<b>Profit before tax</b>		8,909,259	7,856,489
Income tax expense	9	(1,256,316)	(2,607,557)
<b>Profit for the year from continuing operations</b>		7,652,943	5,248,932
Profit from discontinued operations	10	-	6,581,019
<b>Profit for the year</b>		7,652,943	11,829,951
Other comprehensive income from continuing operations		-	-
<b>Total comprehensive income for the year</b>		7,652,943	11,829,951

The accompanying accounting policies and notes on pages 17 to 66 form an integral part of the financial statements.



**JONAS COMPUTING (UK) LIMITED**

Company Registration No. 05301607

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>11</b>	4,545,736	5,350,914
Goodwill	<b>12</b>	8,156,413	6,363,545
Other intangible assets	<b>13</b>	36,082,644	31,075,897
Fixed asset investments	<b>14</b>	85,246	85,246
Deferred tax assets	<b>24</b>	227,357	156,948
Group Loans		262,294	-
Contract costs	<b>16</b>	163,966	18,736
Total non-current assets		49,523,656	43,051,286
<b>Current assets</b>			
Inventories	<b>17</b>	1,425,670	906,434
Contract costs	<b>16</b>	228,354	420,162
Contract assets		2,409,436	1,081,262
Trade and other receivables	<b>18</b>	68,332,706	51,763,440
Cash and cash equivalents	<b>19</b>	25,901,461	4,263,181
Total current assets		98,297,627	58,434,479
<b>Total assets</b>		<b>147,821,283</b>	<b>101,485,765</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current other liabilities	<b>21</b>	(849,849)	(211,295)
Contract liabilities	<b>2</b>	(290,066)	(622,931)
Deferred tax liabilities	<b>24</b>	(5,738,553)	(5,882,229)
Non-current lease liabilities	<b>20</b>	(2,890,843)	(3,433,669)
Total non-current liabilities		(9,769,311)	(10,150,124)
<b>Current liabilities</b>			
Borrowings	<b>21</b>	(200,979)	(5,016,612)
Trade and other payables	<b>22</b>	(59,545,939)	(44,789,123)
Contract liabilities	<b>2</b>	(19,746,405)	(16,884,504)
Current lease liabilities	<b>20</b>	(743,429)	(870,084)
Total current liabilities		(80,236,752)	(67,560,323)
<b>Total liabilities</b>		<b>(90,006,063)</b>	<b>(77,710,447)</b>
<b>Net assets</b>		<b>57,815,220</b>	<b>23,775,318</b>

**JONAS COMPUTING (UK) LIMITED**

Company Registration No. 05301607

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
	Notes	£	£
<b>EQUITY</b>			
Called-up share capital	25	1	1
Share premium account		16,859,737	16,859,737
Capital contribution		70,919,206	37,942,393
Retained earnings		(29,962,021)	(31,026,813)
<b>Total equity</b>		<b>57,815,221</b>	<b>23,775,318</b>

The financial statements on pages 12 to 66 were approved by the Board of Directors and authorised for issue on .....11 August 2022..... and are signed on its behalf by:

DocuSigned by:  
  
 DP Boxall  
 Director

The accompanying accounting policies and notes on pages 17 to 66 form an integral part of the financial statements.

**JONAS COMPUTING (UK) LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Share capital £	Share premium £	Capital contribution £	Retained earnings £	Total £
Balance at 1 January 2020		1	16,859,737	27,590,070	(29,659,112)	14,790,696
Profit and total comprehensive income for the year		-	-	-	11,829,951	11,829,951
Transactions with owners in their capacity as owners:						
Dividends	25	-	-	-	(13,197,652)	(13,197,652)
Capital contribution	25	-	-	10,352,323	-	10,353,323
Balance at 31 December 2020		1	16,859,737	37,942,393	(31,026,813)	23,775,318
Profit and total comprehensive income for the year		-	-	-	7,652,943	7,652,943
Transactions with owners in their capacity as owners:						
Dividends	25	-	-	-	(6,588,151)	(6,588,151)
Capital contribution	25	-	-	32,975,110	-	32,975,110
Balance at 31 December 2021		1	16,859,737	70,917,503	(29,962,021)	57,815,220

The accompanying accounting policies and notes on pages 17 to 66 form an integral part of the financial statements.

**JONAS COMPUTING (UK) LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Operating activities</b>			
Cash generated from operations	<b>27</b>	8,053,809	10,298,476
Interest paid	<b>8</b>	(328,233)	(423,008)
Income taxes paid		(2,844,199)	(5,064,722)
Net cash generated from operating activities		<u>4,881,376</u>	<u>4,810,746</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	<b>11</b>	(152,235)	(176,847)
Proceeds on disposal of tangible assets		215,501	400,647
Purchase of subsidiaries (net of cash acquired)		(4,730,438)	444,185
Proceeds on disposal of subsidiaries (net of cash disposed)	<b>10</b>	-	4,960,715
Earnout payments		(4,022,490)	(6,428,191)
Purchase of other investments		-	(85,246)
Interest received	<b>7</b>	2,665	1,797
Net cash used in investing activities		<u>(8,686,998)</u>	<u>(882,940)</u>
<b>Financing activities</b>			
Capital contribution	<b>25</b>	32,976,813	10,352,323
Dividends paid to owners of the parent Company	<b>25</b>	(6,588,151)	(13,197,652)
Repayment of lease liabilities	<b>20</b>	(944,761)	(1,386,066)
Net cash generated from/(used in) financing activities		<u>25,443,901</u>	<u>(4,231,395)</u>
Net increase (decrease) in cash and cash equivalents		21,638,280	(303,589)
Cash and cash equivalents at 1 January		4,263,181	4,566,770
Cash and cash equivalents at 31 December	<b>19</b>	<u>25,901,461</u>	<u>4,263,181</u>

The accompanying accounting policies and notes on pages 17 to 66 form an integral part of the financial statements.

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **General information**

Jonas Computing (UK) Limited ("the Company") is a private Company limited by shares and incorporated and domiciled in England. The address of the Company's registered office and principal place of business is Gladstone House, Hithercroft Road, Wallingford, Oxfordshire, OX10 9BT.

The principal activity of Jonas Computing (UK) Limited, together with its subsidiaries ("the Group"), is the provision of computer software and consultancy services.

The Group is ultimately controlled by Constellation Software Inc. incorporated and domiciled in Canada, which indirectly holds 100% of the ordinary shares of Jonas Computing (UK) Limited.

### **Basis of preparation**

These consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards. They have been prepared under the historical cost convention in accordance with those parts of the Companies Act 2006 that are applicable to companies that prepare consolidated financial statements in accordance with UK-adopted international accounting standards.

The consolidated financial statements comprise a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows, and notes. Transactions with the owners of the Group in their capacity as owners are recognised in the statement of changes in equity.

The Group presents the statement of comprehensive income using the classification by function of expenses. The Group believes this method provides more useful information to the users of its financial statements as it better reflects the way operations are run from a business point of view. The statement of financial position format is based on a current and non-current distinction.

### **Measurement bases**

The consolidated financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements have been made and their effect is disclosed in note 1.

### **Basis of consolidation**

The consolidated financial statements incorporate those of Jonas Computing (UK) Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Going concern**

The consolidated financial statements have been prepared on the going concern basis which assumes that the Group will continue in operational existence for the foreseeable future. The directors have reviewed the working capital requirements of the group for a period of at least 12 months from the anticipated date of signing of the financial statements and are satisfied that the Group will be able to meet its liabilities as they fall due.

The Group's forecasts for the period of 12 months following the approval of the financial statements has been reviewed, and accordingly the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

Forecasts have been built on a detailed bottom-up approach; revenue based on pipeline, contracts, customer, and market knowledge, and with costs being based on historic data, future plans and knowledge of the industry.

### **Foreign and functional currencies**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The functional currency of the Group is Sterling (£). The financial statements are presented in Sterling, this being the currency of the economic environment of the Group. Monetary amounts in these financial statements are rounded to the nearest £1.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### **Revenue**

Revenue represents the amount the Group expects to receive for products and services in its contracts with customers, net of discounts and VAT. The Group recognises revenue under four revenue categories being, License, Hardware and other, Professional services, and Maintenance and other recurring revenue. Software license revenue is comprised of non-recurring license fees charged for the use of software products licensed under multiple-year or perpetual arrangements. Professional service

## **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

### **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Revenue (continued)**

revenue consists of fees charged for implementation services, custom programming, product training and consulting.

Hardware and other revenue includes the resale of third party hardware as part of customised solutions, as well as sales of hardware assembled internally and the reimbursement of travel costs. Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes recurring fees derived from combined software/support contracts, transaction revenues, managed services, and hosted products.

#### *Contracts with multiple products or services*

Typically, the Group enters into contracts that contain multiple products and services such as software licenses, hosted software-as-a-service, maintenance, professional services, and hardware. The Group evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Group's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation.

Where a contract consists of more than one performance obligation, revenue is allocated to each based on their estimated standalone selling price (SSP).

#### *Nature of products and services*

The Group sells on-premise software licenses on both a perpetual and specified-term basis. Revenue from the license of distinct software is recognised at the time that both the right-to-use the software has commenced and the software has been made available to the customer. Certain of the Group's contracts with customers contain provisions that require the customer to renew optional support and maintenance in order to maintain the active right to use a perpetual or term license. The renewal payments after the initial bundled support and maintenance term in these cases apply to both the continued right-to-use the license and the support and maintenance renewal. Where the fees payable for the initial term are incremental to the fees for the renewal terms, the excess is treated as a prepayment for expected renewals and allocated (amortised) evenly over the expected customer renewals, up to the estimated life of the software that is typically 4-6 years. Revenue from the license of software that involves complex implementation or customisation that is not distinct, and/or includes sales of hardware that is not distinct, is recognised as a combined performance obligation using the percentage-of-completion method based either on the achievement of contractually defined milestones or based on labour hours.

A portion of the Group's sales, categorised as hardware and other revenue, are accounted for as product revenue. Product revenue is recognised when control of the product has transferred under the terms of an enforceable contract.

Revenue related to the customer reimbursement of travel related expenses incurred during a project implementation where the Group is the principal in the arrangement is included in the hardware and other revenue category. Revenue is recognised as costs are incurred which is consistent with the period in which the costs are invoiced. Reimbursable travel expenses incurred for which an invoice has not been issued, are recorded as part of unbilled revenue on the statement of financial position.

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Revenue (continued)**

Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes, to a lesser extent, recurring fees derived from software licenses that are not distinct from maintenance, transaction revenues, managed services, and hosted products.

Revenue from software-as-a-service (SaaS) arrangements, which allows customers to use hosted software over a term without taking possession of the software, are provided on a subscription basis. Revenue from the SaaS subscription, which includes the hosted software and maintenance is recognised rateably over the term of the subscription. Significant incremental payments for SaaS in an initial term are recognised rateably over the expected renewal periods, up to the estimated life of the software.

Professional services revenue including installation, implementation, training and customization of software is recognised by the stage of completion of the performance obligation determined using the percentage of completion method noted above or as such services are performed as appropriate in the circumstances. The revenue and profit of fixed price contracts is recognised on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably but the Company expects to recover its costs, the amount of expected costs is treated as variable consideration and the transaction price is updated as more information becomes known.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in unbilled revenue. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

#### **Other income**

##### *Interest income*

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

#### **Property, plant and equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives, as follows:

Freehold property	50 years straight line
Leasehold improvements	over the term of the lease or 100 years, whichever is shorter
Fixtures and fittings	3-5 years straight line
Computer equipment	2-5 years straight line



# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Property, plant and equipment (continued)**

Motor vehicles 3-5 years straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative expenses' in the statement of comprehensive income.

### **Business combinations**

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary undertaking is the fair values of the assets transferred and the liabilities incurred by the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at acquisition date.

Goodwill arises where the fair value of consideration given for a business exceeds fair value of such assets, liabilities and contingent liabilities. If this is less than the fair value of the net assets of the subsidiary in the case of a bargain purchase, the difference is recognised directly in the income statement.

### **Goodwill**

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

For impairment assessment purposes, assets are Grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

### **Other intangible assets**

Other intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are acquired and available for use, since this most closely reflects the expected usage and pattern of consumption of the future economic benefits embodied in the asset. To determine the useful life of the technology assets, the Group considers the length of time over which it expects to earn or recover the majority of the present value of the forecasted cash flows of the related intangible assets. The estimated useful lives for the current and comparative periods are as follows:

Customer relationships	10-25% straight line
Intellectual property	14-25% straight line

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Impairment of intangible assets and property, plant and equipment**

At each reporting end date, the Group reviews the carrying amounts of its intangible assets and property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

*Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.*

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **Inventories**

Inventories are carried in the consolidated statement of financial position at the lower of cost and net realisable value. Cost is determined on a first-in first-out (FIFO) basis. The cost of work in progress and finished goods comprises materials, direct labour and attributable production overheads based on normal levels of activity.

Write-down is made for obsolete and slow-moving items based on their expected future use and net realisable value. Net realisable value is the estimated sales price in the ordinary course of business after allowing for all further costs of completion and disposal.

### **Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

### **Financial instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Financial instruments (continued)**

attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in profit or loss.

##### *Financial assets*

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

##### *Impairment of financial assets*

The group recognises an allowance for expected credit losses, or an ECL, for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate.

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 from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

ECLs are provided based on an historic assessment of the past 12 months data at a customer level, resulting in a % allocated against certain aged debts. In addition to this assessment, all balances are reviewed on a line by line basis to ensure the relevant risk is provided for based on the current industry and operational knowledge.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on ECLs at each reporting date. The Group has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. Impairment losses and any subsequent reversals of impairment losses are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Financial instruments (continued)**

#### *Reclassification of financial assets*

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

#### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

#### *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Financial instruments (continued)**

#### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

### **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position includes cash in hand, deposits held at call with banks and cash equivalents. Bank accounts held which have an original maturity of more than three months, or which are subject to significant restrictions over access, are not presented as cash at bank and in hand. Such amounts are shown separately as short-term investments or other financial assets with appropriate disclosure of the related terms.

### **Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Current and deferred income tax (continued)**

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is released or the deferred income tax liabilities is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### **Pensions**

The Group operates a defined contribution pension scheme for employees. Contributions are paid as fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. *The Group has no further payment obligations once the contributions have been paid.* The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### **Dividends**

Dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

### **Research and development**

In the research phases of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence expenditure on research and development shall be recognised as an expense when incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the assets will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 16 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were incurred in the research phase only.

To date, no material development expenditures have been capitalised.

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Leases**

*At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.*

*The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. In addition, the right-of-use asset can be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.*

*The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.*

*The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.*

### **Impact of new international reporting standard, amendments and interpretations**

*There have been no new international reporting standards, amendments and interpretations that have had a material impact on the Group for the year ended 31 December 2021.*

### **Standards and interpretations not yet effective**

#### **Classification of liabilities as current or non-current (amendments to IAS 1)**

*The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.*

*Effective for annual reporting periods beginning on or after 1 January 2022.*

*The Group expects to adopt the amendment for the first time in the 2022 annual financial statements. The impact of this amendment will depend on the nature of debt and other liabilities arising.*

# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Standards and interpretations not yet effective - continued**

#### **Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)**

The amendments amend IAS 16 to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Effective for annual reporting periods beginning on or after 1 January 2022.

The Group expects to adopt the amendment for the first time in the 2022 annual financial statements. The Group does not expect this amendment will have a material impact.

#### **Annual Improvements 2018-2020 Cycle**

These annual improvements will make the following amendments:

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IAS 41 Agriculture - Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

Effective for annual reporting periods beginning on or after 1 January 2022.

The Group expects to adopt the amendment for the first time in the 2022 annual financial statements. The Group does not expect this amendment will have a material impact.

### **Standards and interpretations not yet effective - continued**

#### **Reference to the Conceptual Framework (Amendments to IFRS 3)**

These amendments will result in the following changes to IFRS 3:

- update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and



# **JONAS COMPUTING (UK) LIMITEDJONAS COMPUTING (UK) LIMITED**

## **CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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- add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

Effective for annual reporting periods beginning on or after 1 January 2022.

The Group expects to adopt the amendment for the first time in the 2022 annual financial statements. The impact of this amendment will depend on the nature of future acquisitions under IFRS 3.

# JONAS COMPUTING (UK) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities income and expenses. Actual results may differ from the estimates.

##### **Key Sources of Estimation Uncertainty**

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumption and estimates made. Changes will be recorded, with corresponding effect in the statement of comprehensive income, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

##### *Provisions*

In recognising provisions, the Group evaluates the extent to which it is possible that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgement used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

##### *Impairment reviews*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in use calculations using a discount rate of 20%. These calculations require the use of estimates.

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 18 for the net carrying amount of the receivables.

The impairment analysis of goodwill and tangible and other intangible assets requires an estimation of the value in use of the asset or the cash-generating unit to which the assets are allocated. Estimation of the value in use for goodwill is primarily based on future revenue and profitability forecasts over the following 5 years, which is re-assessed on a quarterly basis. Revenue growth is forecasted based on the specific contracts, pipeline and industry knowledge of each business unit. The Group has a history of profitability and projections are based on mature pipelines and historic data at a business unit level. There are no significant assumptions required for the review of this cash-generating unit.

##### *Valuation of contingent consideration*

Contingent consideration for companies acquired is initially accounted for based on forecasted performance relevant to the specific metrics outlined in the relevant share purchase agreement, as at the date of purchase. Subsequent to this, these liabilities are re-valued based on the latest forecasts and knowledge of the opening net assets, as at the balance sheet date.

##### **Critical Accounting Judgements**

##### *Deferred tax assets*

The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the Group's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes to the measurement of deferred tax assets.

## **JONAS COMPUTING (UK) LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Judgement in applying accounting policies and key sources of estimation uncertainty (continued)**

##### **Critical Accounting Judgements (continued)**

###### *Useful economic lives*

The annual amortisation charge for other intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation.

See note 13 for the carrying amount of the other intangible assets and the accounting policies for the useful economic lives for each class of assets.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment and the accounting policies for the useful economic lives for each class of assets.

###### *Provisions*

In recognising provisions, the Group evaluates the extent to which it is possible that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

###### *Write-down of inventories*

Management estimate that net realisable values of inventory, taking into account the most reliable evidence at each reporting date. The future realisation of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

###### *IFRS 16 – discount rate*

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment.

The Group determines its incremental borrowing rate with reference to its existing and historical cost of borrowing adjusted for the term and security against such borrowing.

###### *Valuation of intangible assets*

Discount rates used to calculate the valuation of intangible assets such as customer relationships and intellectual property are based on the cashflows of the individual assets and the IRR of the transaction, and are in between 15-30%, which is reflective of traditional vertical market software.

The useful economic life of customer assets is calculated based on when the annual accumulated present value of cashflows as a proportion of the total present value of the cashflows is over 85%.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****2 Revenue**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Continuing Operations</b>		
Revenue from contracts with customers	74,981,892	59,662,508
Intra-group revenue	18,825	2,202,507
	<u>75,000,717</u>	<u>61,865,015</u>

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Revenue by geographical location</b>		
United Kingdom	57,750,552	57,836,604
Rest of Europe	11,250,108	2,642,905
Rest of the world	6,000,057	1,385,506
	<u>75,000,717</u>	<u>61,865,015</u>

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Revenue by type of service</b>		
Software licenses	2,599,337	2,052,715
Hardware and other revenue	5,360,607	4,556,563
Professional services	12,957,577	6,751,003
Maintenance and other recurring revenue	51,286,609	46,302,227
Royalties	2,796,587	2,202,507
	<u>75,000,717</u>	<u>61,865,015</u>

**Timing of revenue recognition**

Performance obligations satisfied:		
At a point in time	20,917,522	13,360,281
Over time	54,083,195	48,504,734
	<u>75,000,717</u>	<u>61,865,015</u>

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****2 Revenue (continued)**

The following tables provides information about contract liabilities.

<b>Deferred Revenue:</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At January 1 2021	17,507,435	20,592,287
Increase from business combinations	124,519	780,628
Decrease from revenue recognised that was included in the deferred revenue balance at the beginning of the period	(17,004,933)	(18,935,920)
Increase due to cash received, excluding amounts recognised as revenue during the period	20,039,303	21,065,552
Disposal	-	(5,924,060)
Foreign exchange and other movements	(629,853)	(71,052)
At December 31 2021	20,036,471	17,507,435
Deferred revenue classified as a current liability	19,746,405	16,884,504
Deferred revenue classified as a non-current liability	290,066	622,931

The amount of revenue recognised in the year ended 31 December 2021 from performance obligations satisfied in previous periods was £nil (2020: £nil).

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognised ("contracted not yet recognised") and includes unearned revenue and amounts that will be invoiced and recognised as revenue in future periods. Contracted not yet recognised revenue was approximately £53,607,275 as of 31 December 2020 (2020: £30,675,966), of which we expect to recognise an estimated 93% (2020: 81%) of the revenue over the next 12 months and the remainder thereafter.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****3 Analysis of expenses by nature**

The breakdown by nature of cost of sales, distribution costs and other administrative expenses is as follows:

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Employee remuneration (Note 6)</b>	<b>33,612,730</b>	<b>30,047,759</b>
<b>Intangible assets (Notes 12 and 13)</b>		
Impairment of goodwill	-	526,021
Amortisation of other intangible assets	8,044,617	8,742,640
	<u>8,044,617</u>	<u>9,268,662</u>
<b>Property, plant and equipment (Note 11)</b>		
Depreciation of property, plant and equipment	689,980	1,443,361
Profit on disposal of property, plant and equipment	(24,677)	(8,773)
	<u>665,303</u>	<u>1,434,588</u>
<b>Cost of Sales</b>		
Hosting and supporting costs	5,661,700	4,080,279
Consumables and raw materials used	3,784,870	3,848,146
Other cost of sales	1,960,638	737,766
	<u>11,407,208</u>	<u>8,666,191</u>
<b>Administration costs</b>		
Leasing costs	139,948	140,019
Foreign exchange (gain)/loss	344,307	(1,158,934)
Loss on disposal of property, plant and equipment	189	11,494
Telecommunications	447,246	143,183
Small equipment purchases	303,189	192,891
Travel	761,782	737,789
Advertising	418,069	272,395
Bad debt expense	(21,635)	650,232
Legal and professional fees	1,355,333	672,455
Consultants	967,115	504,313
Royalty costs	1,749,934	1,786,290
Revaluation of earnout liabilities	850,828	(228,365)
Management Charge	2,790,728	1,327,159
Other expenses	2,532,247	2,895,973
	<u>12,639,280</u>	<u>6,770,126</u>
<b>Total cost of sales, distribution costs and administrative expenses</b>	<u><b>66,369,138</b></u>	<u><b>56,187,326</b></u>

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****4 Other operating income**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Management recharges	-	125,990
Other operating income	8,140	693,000
Government Assistance Income	595,108	1,781,021
	<u>603,248</u>	<u>2,600,011</u>

**5 Auditor's remuneration**

Fees payable to James Cowper Kreston in respect of both audit and non-audit services are as follows:

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Audit services – statutory audit of the parent and consolidated accounts	150,000	120,000
Audit services – statutory audit of the associates of the Company in respect of the current year	12,600	12,000
Taxation compliance services	-	7,000
All other non-audit services	72,250	20,000
	<u>234,850</u>	<u>159,000</u>

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****6 Employees and directors**

The average number of persons (including directors) employed by the Group during the year was:

	<b>2021</b> <b>No</b>	<b>2020</b> <b>No</b>
Professional services	166	160
Maintenance	174	180
Research and development	138	145
Sales and marketing	78	91
Management, general and administration	74	74
Event works	-	5
	<u>630</u>	<u>655</u>

The employee costs for the persons above:

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Wages and salaries	29,636,958	26,456,988
Social security costs	3,069,872	2,675,788
Defined contribution costs	905,900	914,983
	<u>33,612,730</u>	<u>30,047,759</u>

**Directors**

In respect of the Directors of Jonas Computing (UK) Limited:

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Emoluments	331,968	149,857
Company contributions to money purchase pension schemes	8,750	3,375
	<u>340,718</u>	<u>153,232</u>

	<b>2021</b> <b>No</b>	<b>2020</b> <b>No</b>
The number of Directors to whom retirement benefits are accruing under money purchase schemes was:	<u>1</u>	<u>2</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Emoluments	331,968	100,995
Company contributions to money purchase pension schemes	<u>8,750</u>	<u>3,375</u>

A number of the directors are also paid by other group entities for services provided to the wider group.



**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>7</b>	<b>Finance income</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Interest on bank deposits	2,665	1,797
		<u>2,665</u>	<u>1,797</u>
<b>8</b>	<b>Finance costs</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Loans from Group undertakings	220,179	347,728
	Interest on lease liabilities	108,054	75,280
		<u>328,233</u>	<u>423,008</u>
<b>9</b>	<b>Income tax expense</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK Corporation tax on profits of year	2,922,971	2,538,271
	Adjustments recognised in the year for current tax of prior periods	(1,163,302)	226,210
	Total UK current tax	<u>1,759,669</u>	<u>2,764,481</u>
	Foreign current tax on profits for the current period	40,137	-
	Total current tax	<u>1,799,806</u>	<u>2,764,481</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing difference	(890,620)	(847,517)
	Change in tax rates	274,038	(63,190)
	Adjustment in respect of prior periods	73,092	753,783
	Total deferred tax	<u>(543,490)</u>	<u>(156,924)</u>
	Total tax charge	<u>1,256,316</u>	<u>2,607,557</u>

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****9 Income tax expense (continued)****Tax expense reconciliation**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Profit before income tax	8,909,259	7,856,489
Corporation tax charge thereon at 19% (2020 – 19%)	1,692,759	1,492,733
Effects of:		
Expenses not deductible for tax purposes	992,245	1,309,049
Utilisation of tax losses not previously recognised	(13,255)	(16,889)
Amounts relating to change in tax rates	335,554	(63,189)
Non Taxable Income	(59,356)	-
Tax losses not recognised as a deferred tax asset	104,776	-
Capital allowances for year in excess of depreciation	-	(138,270)
Adjustments to tax in respect of prior periods	(1,162,508)	631,296
Group relief	(637,209)	(607,064)
Short term timing difference	2,091	(719)
Other differences	1,219	610
	<u>1,256,316</u>	<u>2,607,557</u>

**Income tax expense is attributable to:**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Profit from continuing operations	1,256,316	2,607,557
	<u>1,256,316</u>	<u>2,607,557</u>

The effective tax rate for 2020 and 2019 was 19%. The theoretical income taxes are determined by applying the domestic corporate tax rate in The United Kingdom, where the parent is domiciled. This calculation is consistent with that used in prior years.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This law has now been substantively enacted, and has affected the calculation of the deferred tax balances in these financial statements.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****10 Discontinued operation**

On 1 December 2020 Jonas Computing (UK) Limited sold its investment in Vela Software Spain S.L. and its subsidiaries to its parent company, Constellation Software UK HoldCo Ltd. Vela Software Spain S.L. and its subsidiaries are reported in the prior period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

The comparative figures for the year ended 31 December 2020 in the financial statements represent only continuing operations.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Revenue	-	15,323,417
Expenses	-	(13,225,758)
Profit before income tax	-	2,097,659
Income tax expense	-	(166,170)
Profit from discontinued operation	-	1,931,489
	-	
Net cash inflow from operating activities		19,468,061
Net cash (outflow)/inflow from investing activities	-	(31,574,089)
Net cash inflow/(outflow) from financing activities	-	13,856,746
	-	1,750,718
<b>Details of the sale of the subsidiary</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash consideration received	-	5,708,920
Carrying amount of net assets sold	-	(1,059,390)
Gain on sale of discontinued operation	-	4,649,530
<b>Total profit from discontinued operation</b>	<b>-</b>	<b>6,581,019</b>

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****11 Property, plant and equipment**

	<b>Leasehold improvements £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
As at 1 January 2020	6,492,160	1,102,389	2,494,231	1,241,151	11,329,931
Exchange differences	(64)	9,561	(8,261)	-	1,236
Additions – owned assets	-	85,871	90,976	-	176,847
Additions – leased assets	371,794	-	-	92,442	464,236
Business combinations	295,060	88,605	3,152	9,154	395,971
Disposals	(674,654)	(349,920)	(501,717)	(274,855)	(1,801,146)
As at 1 January 2021	6,484,296	936,506	2,078,381	1,067,892	10,567,075
Additions	11,216	-	50,758	-	61,974
Business combinations	85,579	-	4,682	-	90,261
Disposals	(197,436)	(166,338)	(1,026,680)	-	(1,390,454)
As at 31 December 2021	6,383,655	770,168	1,107,141	1,067,892	9,328,856
<b>Depreciation</b>					
As at 1 January 2020	(1,147,794)	(910,413)	(2,022,540)	(799,693)	(4,880,440)
Exchange differences	-	(70)	8,261	-	8,191
Charge for the period	(1,064,840)	(88,986)	(191,068)	(157,631)	(1,502,525)
Disposals	270,956	225,866	373,144	288,647	1,158,613
As at 1 January 2021	(1,941,678)	(773,603)	(1,832,203)	(668,677)	(5,216,161)
Charge for the period	(634,019)	(8,131)	(46,050)	(1,780)	(689,980)
Disposals	-	96,342	1,026,679	-	1,123,021
As at 31 December 2021	(2,575,697)	(685,392)	(851,574)	(670,457)	(4,783,120)
<b>Net book value</b>					
As at 31 December 2021	3,807,958	84,776	255,567	397,435	4,545,736
As at 31 December 2020	4,542,618	162,903	246,178	399,215	5,350,914

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

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**11 Property, plant and equipment (Continued)****Carrying value of right-of-use assets**

	<b>Leasehold improvements £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
As at 31 December 2021	3,572,837	7,662	-	49,409	3,629,908

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The depreciation charge for the period is recognised within administrative expenses in the Statement of Comprehensive Income.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>12 Goodwill</b>	<b>Goodwill £</b>
<b>Cost</b>	
As at 1 January 2020	8,023,556
Business combinations	221,665
Exchange differences	51,826
Disposal	<u>(1,088,189)</u>
As at 1 January 2021	7,208,858
Business combinations	<b>15</b> 1,792,868
As at 31 December 2021	<u>9,001,726</u>
<b>Impairment</b>	
As at 1 January 2021	845,313
Impairment losses for the year	<u>-</u>
As at 31 December 2021	<u>845,313</u>
<b>Carrying amount:</b>	
As at 31 December 2021	<u>8,156,413</u>
As at 31 December 2020	<u>6,363,545</u>

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	<b>2021 £</b>	<b>2020 £</b>
MCR Systems Limited	1,589,663	1,589,663
Cash Registers (Buccleuch) Limited	1,371,945	1,371,945
Card Management Services Limited	767,586	767,586
Cunningham Cash Registers Limited	712,162	712,162
Jonas Event Technology Limited	325,856	325,856
Fitronics Limited	270,955	270,955
Uniware Systems Limited	270,000	270,000
Retail and Sport Systems Limited	241,110	241,110
Corporate Software and Asset Management Limited	229,667	-
Genexus Consulting S.A	849,520	-
Magalink S.A	629,116	-
Other cash-generating units	898,833	814,268
	<u>8,156,413</u>	<u>6,363,545</u>

In determining the recoverable amount, the Group applied an estimated market valuation multiple to the business unit's most recent EBITDA. Valuation multiples applied by the Group for this purpose reflect current market conditions specific to the business unit and are assessed for reasonability by comparison to the Group's current and past acquisition experience involving ranges of EBITDA based multiples required to acquire representative software companies. In instances where this method provides a recoverable amount lower than the carrying value of the goodwill attributed to that cash generating unit the recoverable amount of the goodwill has been determined by a value-in-use calculation. Where this method is used various assumptions around future cash flows arising from the cash generating unit including the use of a discount rate/WACC of 20%.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>13 Other intangible assets</b>		<b>Customer relationships £</b>	<b>Intellectual property £</b>	<b>Total £</b>
<b>Cost or valuation:</b>				
As at 1 January 2020		23,361,706	38,559,005	61,920,711
Exchange differences		1,920	10,802	12,722
Business combinations		1,945,001	1,025,000	2,970,001
Disposals		(899,364)	(5,059,293)	(5,958,657)
As at 1 January 2021		24,409,263	34,535,514	58,944,777
Business combinations	<b>15</b>	10,774,589	2,286,236	13,060,825
As at 31 December 2021		35,183,852	36,821,750	72,005,602
<b>Amortisation and impairment:</b>				
As at 1 January 2020		(7,735,813)	(17,210,448)	(24,946,261)
Exchange differences		(45,621)	(761,239)	(806,860)
Amortisation for the year		(3,352,917)	(5,434,906)	(8,787,823)
Disposals		895,199	5,767,404	6,662,603
As at 1 January 2021		(10,239,152)	(17,639,189)	(27,878,341)
Amortisation for the year		(3,374,474)	(4,670,143)	(8,044,617)
As at 31 December 2021		(13,613,626)	(22,309,332)	(35,922,958)
<b>Carrying amount:</b>				
As at 31 December 2021		21,570,226	14,512,418	36,082,644
As at 31 December 2020		14,179,572	16,896,325	31,075,897
As at 1 January 2020		15,625,893	21,348,557	36,974,450

Amortisation on intangible fixed assets is charged to Administrative expenses.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

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**14 Fixed asset investment**

	<b>Listed investment £</b>
<b>Cost</b>	
As at 1 January 2021	<u>85,246</u>
	85,246
As at 31 December 2021	<u>          </u>
<b>Allowances for impairment</b>	
As at 1 January 2021	-
Impairment	<u>-</u>
As at 31 December 2021	<u>-</u>
<b>Net book value</b>	85,246
As at 31 December 2021	<u>          </u>
As at 31 December 2020	<u>85,246</u>



**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****15 Acquisition of business**

On 25 June 2021 the parent entity acquired 100% of the issued share capital of WM-Data Deutschland GmbH.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	<b>Book value</b>	<b>Adjustments</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Property, plant and equipment	36,379	-	36,379
Other intangibles assets	-	834,174	834,174
Cash and cash equivalents	333,820	-	333,820
Trade receivables	80,274	-	80,274
Trade payables	(5,909)	-	(5,909)
Other receivables	9,641	-	9,641
Other liabilities	(450,584)	-	(450,584)
Current tax liability	374	-	374
Other tax and social security	(4,814)	-	(4,814)
Accrued liabilities	(33,134)	-	(33,134)
Deferred tax liability	-	(264,905)	(264,905)
Net identifiable assets acquired	<u>(33,953)</u>	<u>569,269</u>	<u>535,316</u>
Goodwill			<u>(323,198)</u>
Total consideration			<u>212,118</u>
Consideration was satisfied by			
			<b>£</b>
Cash paid			128,784
Net tangible assets payment			(2,522)
Deferred consideration			85,856
Total consideration			<u>212,118</u>

The acquired business contributed revenues of £506,720 and net profit of £130,818 to the Group for the period from 25 June to 31 December 2021.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****15 Acquisition of business (continued)**

On 11 October 2021 the parent entity acquired 100% of the issued share capital of Genexus Consulting S.A.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	Book value £	Adjustments £	Fair value £
Property, plant and equipment	67,720	-	67,720
Other intangibles assets	-	6,430,400	6,430,400
Cash and cash equivalents	442,186	-	442,186
Trade receivables	1,115,748	-	1,115,748
Other receivables	582,375	-	582,375
Trade payables	(198,464)	-	(198,464)
Other liabilities	(49,278)	-	(49,278)
Deferred income	(21,932)	-	(21,932)
Other tax and social security	(78,591)	-	(78,591)
Accrued liabilities	(498,397)	-	(498,397)
Net identifiable assets acquired	1,361,367	6,430,400	7,791,767
Goodwill			849,520
Total consideration			8,641,287
Consideration was satisfied by			£
Cash paid			3,744,098
Net tangible assets payment			943,540
Deferred consideration			3,210,723
Contingent consideration			742,926
Total consideration			8,641,287

The acquired business contributed revenues of £1,136,657 and net profit of £116,484 to the Group for the period from 11 October to 31 December 2021.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****15 Acquisition of business (continued)**

On 11 October 2021 the parent entity acquired 100% of the issued share capital of Magalink S.A.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	Book value £	Adjustments £	Fair value £
Property, plant and equipment	18,306	-	18,306
Other intangibles assets	-	3,384,377	3,384,377
Cash and cash equivalents	269,095	-	269,095
Trade receivables	244,459	-	244,459
Other receivables	914,442	-	914,442
Trade payables	(86,218)	-	(86,218)
Other liabilities	(15,949)	-	(15,949)
Deferred income	(290,792)	-	(290,792)
Current tax liability	26,143	-	26,143
Other tax and social security	(2,743)	-	(2,743)
Accrued liabilities	(232,624)	-	(232,624)
Net identifiable assets acquired	844,119	3,384,377	4,228,496
Goodwill			629,116
Total consideration			4,857,612
Consideration was satisfied by			£
Cash paid			1,510,021
Net tangible assets payment			639,112
Deferred consideration			1,701,770
Contingent consideration			1,006,709
Total consideration			4,857,612

The acquired business contributed revenues of £565,722 and net profit of £104,140 to the Group for the period from 11 October to 31 December 2021.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****15 Acquisition of business (continued)**

On 1 February 2021 the parent entity acquired 100% of the issued share capital of Corporate Software & Asset Management Limited.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	Book value £	Adjustments £	Fair value £
Property, plant and equipment	7,139	-	7,139
Other intangible assets	-	258,000	258,000
Cash and cash equivalents	383,912	-	383,912
Trade receivables	137,058	-	137,058
Other receivables	21,906	-	21,906
Trade payables	(210)	-	(210)
Other liabilities	(5,326)	-	(5,326)
Current tax liabilities	(169,850)	-	(169,850)
Other tax and social security	(39,183)	-	(39,183)
Accrued liabilities	(41,564)	-	(41,564)
Deferred tax liabilities	-	(64,500)	(64,500)
Net identifiable assets acquired	293,382	193,500	487,382
Goodwill			229,667
Total consideration			717,049
Consideration was satisfied by			£
Cash paid			200,000
Net tangible assets payment			259,882
Deferred consideration			257,167
Total consideration			717,049

The acquired business contributed revenues of £371,971 and net profit of £103,870 to the Group for the period from 1 February to 31 December 2021.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****15 Acquisition of business (continued)**

On 7 September 2021 the Group acquired the trade and assets of Newline ASP.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	<b>Book value</b> £	<b>Adjustments</b> £	<b>Fair value</b> £
Property, plant and equipment	60,109	-	60,109
Other intangible assets	-	2,160,000	2,160,000
Cash and cash equivalents	623,452	-	623,452
Trade receivables	65,468	-	65,468
Other receivables	14,683	-	14,683
Trade payables	(116,073)	-	(116,073)
Other liabilities	(190,501)	-	(190,501)
Other tax and social security	(88,051)	-	(88,051)
Net identifiable assets acquired	369,086	2,160,000	2,529,086
Goodwill			272,081
Total consideration			2,801,167
Consideration was satisfied by			£
Cash paid			1,200,000
Net tangible assets payment			369,086
Deferred consideration			892,873
Contingent consideration			339,208
Total consideration			2,801,167

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>16 Contract costs</b>	<b>2021</b>	<b>2020</b>
Costs to obtain contracts	£	£
Current	228,354	420,162
Non-current	163,966	18,736
	<u>392,320</u>	<u>438,898</u>

The group has capitalised and amortised incremental commission costs on a systematic basis, consistent with the pattern of transfer of the good(s) or services(s) to which the commission relates as the group believes these costs are recoverable. The total capitalised commission costs as of 31 December 2021 is £438,897 (2020 - £448,375). The amount of amortisation expense for the year ended 31 December 2021 was £420,161 (2020 - £197,938) and there was no impairment loss in relation to the costs capitalised.

<b>17 Inventories</b>	<b>2021</b>	<b>2020</b>
	£	£
Finished goods and goods for resale	1,425,670	906,434
	<u>1,425,670</u>	<u>906,434</u>

The cost of inventories recognised as an expense during the year in respect of continuing operations was £4,683,777 (2020: £3,699,734).

<b>18 Trade and other receivables</b>	<b>2021</b>	<b>2020</b>
	£	£
Trade receivables	12,020,447	6,772,700
Amounts due from fellow group undertakings	52,187,185	41,861,152
Corporation tax recoverable	904,393	777,003
Prepayments	2,691,257	1,899,305
Other receivables	529,424	453,280
	<u>68,332,706</u>	<u>51,763,440</u>

The amounts due from fellow Group undertakings are unsecured and are repayable on demand.

The average credit period on sales of goods is 60 days (2020: 60). No interest is charged on outstanding trade receivables.

The Group has recognised total expected credit losses against trade receivables of £374,254 (2020: £749,442). Amounts written off as uncollectable during the year total £377,269 (2020: £639,510).

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**


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<b>19 Cash and cash equivalents</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash in hand	25,901,461	4,263,181

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Jonas Computing (UK) Limited and its subsidiaries have a Group Offset facility and sweep cash monthly, on this basis, any individual balances overdrawn as at the year-end have been netted off against the cash balances held.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>20</b>	<b>Leases</b>	<b>2021</b>	<b>2020</b>
			<b>£</b>
	<b>Right-of-use assets</b>		
	At 1 January 2021 and 2020	4,536,345	5,578,507
	Additions	351,522	423,801
	Depreciation	(915,030)	(1,345,731)
	Increase from Business Combination	85,579	384,826
	Disposal	(428,508)	(232,461)
	Foreign exchange	-	(272,597)
	At 31 December 2021 and 2020	3,629,908	4,536,345
	<b>Lease liabilities</b>		
	At 1 January 2021 and 2020	4,303,753	4,856,065
	Lease additions	369,433	212,822
	Interest expense	108,054	144,910
	Lease payments	(944,761)	(1,386,066)
	Increase from Business combination	69,000	262,638
	Disposal	(271,207)	213,384
	At 31 December 2021 and 2020	(3,634,272)	4,303,753
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Amounts due:		
	Within one year	743,429	870,084
	Between one and five years	2,568,623	3,433,669
	After five years	322,220	
		3,634,272	4,303,753
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Effect of leases on cash flows:</b>		
	Total cash outflow for leases in the year:	944,760	1,386,066

The Group does not face significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.



**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>21</b>	<b>Borrowings</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Current portion</b>		
	<i>Loans from fellow Group undertakings</i>	-	4,680,384
	<i>Lease liabilities</i>	200,979	336,228
	Balance at 31 December	200,979	5,016,612
	<b>Non-Current portion</b>		
	<i>Non-current other liabilities</i>	849,849	211,295
	Balance at 31 December	849,849	211,295

The bank overdrafts are unsecured and repayable on demand.

During January 2015 Jonas Computing (UK) Ltd entered in to 3 loan agreements with CSI Luxembourg for; £1,824,840, £1,875,000 and £950,160. The loans were later assigned from CSI Luxembourg to Constellation Software Holdco Ltd, however Jonas Computing (UK) Ltd was still required to remit interest at 8% to Constellation Software UK Holdco Limited, in line with the agreements. Repayment was made on 1st October 2021, 14th August 2021 and 10th December 2021, respectively.

<b>22</b>	<b>Trade and other payables</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Current portion</b>		
	<i>Trade payables</i>	540,653	234,967
	<i>Amounts due to fellow Group undertakings</i>	30,790,805	25,765,064
	<i>Other tax and social security</i>	3,555,808	6,035,408
	<i>Accrued liabilities</i>	12,184,969	6,753,305
	<i>Other payables - Earnout liability</i>	10,464,099	4,952,853
	<i>Other payables</i>	2,009,605	1,047,526
		59,545,939	44,789,123

The amounts due from fellow Group undertakings are unsecured and are repayable on demand.

During the year £286,597 (2020: £120,124) was charged to the statement of comprehensive income in relation to the purchase of shares to employees as part of their annual performance bonus entitlement. There are no vesting requirements attached to these shares, and the commitment is settled through the purchase of shares on the open market, reflecting a cash-settled share based payment. As at the year end there was a liability of £286,597 (2020: £120,124) which was used to purchase shares post year end based at the current market value.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****23 Financial instruments and financial risks****Financial instruments**

The Group's principal financial instruments, from which financial risk arises, comprise of the following:

- Trade and other receivables
- Cash and cash equivalents
- Borrowings
- Trade and other payables

The Group does not issue or use financial instruments of a speculative nature.

The totals for each category of financial instruments, measured in accordance with IFRS 9 Financial Instruments ("IFRS 9") as detailed in the accounting policies to these consolidated financial statements, are as follows:

	<b>Loans and receivables held at amortised cost</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current assets</b>		
Trade and other receivables	64,207,632	48,633,852
Cash and cash equivalents	25,901,461	4,263,181
<b>Total financial assets</b>	<b>90,109,093</b>	<b>52,897,033</b>

The average credit period for sales of goods is generally 60 days. No interest is charged on overdue trade receivables. The Group has provided for certain trade receivables based on estimated irrecoverable amounts determined by reference to specific circumstances and past default experience.

Included in the Group's trade receivables are receivables with a carrying amount of £4,037,049 (2020: £1,766,160) which are past due at reporting date but for which the Group has not provided as there has not been a significant change in the credit quality and the Group still believes these amounts to be recoverable. The Group does not hold any collateral over these balances.

The ageing of amounts due but not impaired is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
1 month past due	1,305,245	475,672
2 months past due	715,504	358,221
3 months past due	2,016,300	932,267
	<b>4,037,049</b>	<b>1,766,160</b>

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****23 Financial instruments and financial risks (continued)****Financial liabilities held at amortised cost**

	2021 £	2020 £
<b>Current liabilities</b>		
Borrowings	200,979	5,016,612
Trade and other payables	55,990,131	38,753,715
Total current liabilities	56,191,110	43,770,327
<b>Non-current liabilities</b>		
Borrowings	-	211,295
Total financial liabilities	56,191,110	43,981,622

**Financial risks***Overview*

The Group is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Group's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal financial risks to which the Group is exposed are described below.

*Market risk*

The Group operates internationally, giving rise to exposure to market risks from changes in foreign exchange rates which impact sales and purchases that are denominated in a currency other than the respective functional currencies of certain of its subsidiaries. The Group currently does not typically use derivative instruments to hedge its exposure to those risks. Most of the Group's businesses are organised geographically so that many of its expenses are incurred in the same currency as its revenues thus mitigating some of its exposure to currency fluctuations. As the Group's exposure to market risk is considered to be immaterial no sensitivity analysis has been performed.

*Liquidity risk*

Liquidity risk is the risk that the Group is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Group manages liquidity risk through the management of its capital structure and financial leverage.

The majority of the Group's financial liabilities recorded in accounts payable and accrued liabilities are due within 60 days.

Given the Group's available liquid resources and credit capacity as compared to the timing of the payments of liabilities, the Group assesses its liquidity risk to be low.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****23 Financial instruments and financial risks (continued)***Credit risk*

Credit risk represents the financial loss that the Group would experience if a counterparty to a financial instrument, in which the Group has an amount owing from the counterparty failed to meet its obligations in accordance with the terms and conditions of its contracts with the Group. The carrying amount of the Group's financial assets, including receivables from customers, represents the Group's maximum credit exposure.

The majority of the accounts receivable balance relates to maintenance invoices to customers that have a history of payment.

As a response to Covid-19, amendments to short term credit agreements with customers have been granted on a customer by customer basis, dependent on their historic payment habits and their financial position. However, these short-term requirements are now tapering off as businesses start to open, day to day communications resume and cash flow starts to normalise.

The maximum exposure to credit risk for trade and other receivable at the reporting date was:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current assets</b>		
Trade receivables	12,020,447	6,772,700

Movements in the allowance for expected credit losses in respect of accounts receivable are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Balance at 31 December 2020 and 2019	676,348	674,658
Impairment loss recognised	407,517	174,860
Impairment loss reversed	(317,390)	(378,039)
Amounts written off	(377,269)	(206,359)
Other movements	92,112	411,228
Balance at 31 December 2021 and 2020	481,318	676,348

There is no concentration of credit risk because of the Group's diverse and disparate number of customers with individual receivables that are not significant to the Group on a consolidated basis. In addition, the Group typically requires up front deposits from customers to protect against credit risk.

The Group manages credit risk related to cash by maintaining the majority of the Group's bank accounts with Schedule 1 banks.

*Fair values versus carrying amounts*

The carrying values of cash, trade receivables, trade payables, accrued liabilities, and borrowings and other payables, approximate their fair values due to the short-term nature of these instruments. Bank debt is subject to market interest rates.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****23 Financial instruments and financial risks (continued)****Maturities of financial liabilities****At 31 December 2021**

	Trade payables £	Other payables £	Lease liabilities £	Undiscounted Lease Liabilities £	Total (excluding undiscounted) £
Less than 6 months	540,653	48,541,187	371,715	422,426	49,453,355
6 - 12 months	-	-	371,715	379,198	371,715
1 - 2 years	-	-	642,156	1,279,865	642,156
2 - 5 years	-	-	1,926,467	1,355,356	1,926,467
Over 5 years	-	-	322,219	455,596	322,219
	<u>540,653</u>	<u>48,541,187</u>	<u>3,634,272</u>	<u>3,892,442</u>	<u>52,716,112</u>

**At 31 December 2020**

	Trade payables £	Other payables £	Lease liabilities £	Undiscounted Lease Liabilities £	Total (excluding undiscounted) £
Less than 6 months	234,967	35,944,219	538,803	309,088	36,717,988
6 - 12 months	-	1,598,449	379,623	275,235	1,978,072
1 - 2 years	-	1,187,376	663,903	527,830	1,851,279
2 - 5 years	-	-	1,597,305	1,303,373	1,597,305
Over 5 years	-	-	1,124,121	882,804	1,124,121
	<u>234,967</u>	<u>38,730,044</u>	<u>4,303,755</u>	<u>3,298,330</u>	<u>43,268,765</u>

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****23 Financial instruments and financial risks (continued)****Maturities of financial assets****At 31 December 2021**

	Trade Receivables £	Cash £	Other Receivables £	Total £
Less than 6 months	12,020,447	25,901,461	52,716,609	90,638,517
6 - 12 months				-
1 - 2 years				-
2 - 5 years				-
Over 5 years				-
	<u>12,020,447</u>	<u>25,901,461</u>	<u>52,716,609</u>	<u>90,638,517</u>

**At 31 December 2020**

	Trade Receivables £	Cash £	Other Receivables £	Total £
Less than 6 months	6,772,700	4,263,181	44,213,737	55,249,618
6 - 12 months	-	-	-	-
1 - 2 years	-	-	-	-
2 - 5 years	-	-	-	-
Over 5 years	-	-	-	-
	<u>6,772,700</u>	<u>4,263,181</u>	<u>44,213,737</u>	<u>55,249,618</u>

**Foreign currency exposure at the end of the reporting period**

The Group operates predominately in the United Kingdom, with minimal exposure to foreign exchange risk through trading with their customers. The main risk arises on inter company balances with Group companies, with the largest balance totalling - \$30,961,894 (2020: - \$764,930). At 31 December 2021, if the £ had weakened by 5% against the Dollar, with all other variables held constant, the pre tax profit would have been approximately £1,108,270 (2020: £26,687) higher.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****23 Financial instruments and financial risks (continued)****Foreign currency exposure at the end of the reporting period**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current assets</b>		
Trade and other receivables CAD	27,177	8,102
Trade and other receivables USD	22,880,840	5,348,206
Trade and other receivables EUR	1,393,884	578,413
Trade and other receivables AUD	168,045	141,676
Trade and other receivables ZQAR	-	832,635
Trade and other receivables SGD	-	75,871
Trade and other receivables QAR	-	245,686
Trade and other receivables SA	43,57	-
Trade and other receivables CNY	212,902	-
Trade and other receivables UYU	429,312	-
Trade and other receivables SEK	2,806,253	-
<b>Current liabilities</b>		
Trade and other payables CAD	(28,344)	(65,204)
Trade and other payables USD	(18,311,620)	(6,113,136)
Trade and other payables EUR	(2,821,469)	(272,860)
Trade and other payables AUD	(32,476)	(15,840)
Trade and other payables ZNZD	-	(6,343)
Trade and other payables INR	-	(29,299)
Trade and other payables UYU	(1,024,215)	(52,185)
Trade and other payables CNY	(277,984)	-
Trade and other payables SA	(5,211)	-
Trade and other payables SEK	(2,813,726)	-

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****24 Deferred tax**

The movement on the deferred income tax account is as shown below:

	<b>Liabilities</b>	<b>Assets</b>
	<b>£</b>	<b>£</b>
As at 1 January 2020	(5,996,497)	992,440
Charged to profit and loss	678,568	(835,492)
Recognised on business combination	(564,300)	-
As at 31 December 2020	(5,882,229)	156,948
Charged to profit and loss	473,081	70,409
Recognised on business combination	(329,405)	-
As at 31 December 2021	(5,738,553)	227,357

The deferred tax asset is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Decelerated capital allowances	173,510	127,150
Share based payments	24,319	-
Other short-term timing differences	29,528	29,798
	227,357	156,948

The deferred tax liability is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	(13,918)	(14,411)
Recognised in relation to acquired intangible assets	(5,723,974)	(5,861,905)
Other short-term timing differences	-	(5,046)
Retirement benefit obligations	(661)	(867)
	(5,738,553)	(5,882,229)



**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****25 Share capital and reserves****Share capital**

	2021 £	2020 £
<b>Allotted, issued and fully paid</b>		
1 Ordinary shares of £1 each	1	1

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**Reserves***Share premium account*

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

*Capital contribution*

The capital contribution reserve includes additional capital received on existing issue of share capital.

The capital contribution reserve has arisen from contributions received during the year from Constellation Software UK Holdco Limited £32,975,110 (2020: £10,352,323) The contributions are in connection with closing payments, earn outs and hold back payments for the acquisition of the following entities:

Greycon UK Limited  
 Contronics Limited  
 Jonas Lifestyle Limited  
 Magalink S.A  
 GXC S.A.  
 BlueStar Software Limited  
 AMT Sybex Group Limited

*Retained earnings*

Retained earnings include cumulative profit and loss net of distributions to owners.

<b>Dividends on equity shares</b>	2021 £	2020 £
Interim dividends paid of £6,588,151 (2020 - £13,197,652)	6,588,151	13,197,652
	<u>6,588,151</u>	<u>13,197,652</u>

**26 Capital risk management**

The Group's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to provide returns to its shareholders. The Group manages its capital with the objective of ensuring that there are adequate capital resources while maximising the return to shareholders.

The Board of Directors determine if and when dividends should be declared and paid based on all relevant circumstances, including the desirability of financing further growth of the Group and its financial position at the relevant time.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****26 Capital risk management (continued)**

The Group makes adjustments to its capital structure in light of general economic conditions, the risk characteristics of the underlying assets and the Group's working capital requirements. *In order to maintain or adjust its capital structure, the Group, upon approval from its Board of Directors, may increase or decrease dividends, take out a line of credit or undertake other activities as deemed appropriate under the specific circumstances.* The Board of Directors reviews and approves any material transactions not in the ordinary course of business, as well as significant acquisitions and other major investments above pre-determined quantitative thresholds.

**27 Notes to the statement of cash flows*****Reconciliation of profit to cash flows generated from operations***

	2021 £	2020 £
Profit for the period	7,652,943	11,829,951
Adjustments for:		
Income tax expense	1,256,316	2,607,557
Finance costs	328,233	423,008
Finance income	(2,665)	(1,797)
Loss/(profit) on disposal of property, plant and equipment	24,677	(8,773)
Depreciation of property, plant and equipment	689,980	1,443,361
Amortisation and impairment of intangible assets	8,054,078	9,268,662
Fair value movements on earn out	850,828	(228,365)
(Profit) on disposal of operations	-	(4,649,530)
Decrease/(Increase) in inventories	(519,236)	287,367
(Decrease) in receivables	(14,800,712)	(11,089,862)
Increase/(Decrease) in payables	4,519,366	416,897
Cash generated from operations	<u>8,053,809</u>	<u>10,298,476</u>

**28 Contingent liabilities**

In the event that bank indebtedness arises in the ultimate parent undertaking, Constellation Software Inc., it is secured by means of an unlimited guarantee and debenture over the assets of the Group and Company.

**29 Retirement benefits**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £1,023,275 (2020: £906,627). Contributions totalling £210,407 (2020: £9,779) were payable to the fund at the year end.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**


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<b>30</b>	<b>Related party transactions</b>		
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Management recharges</b>	260,613	125,991
	In relation to subsidiaries	260,613	125,991
	<b>Sales of goods and services</b>	2,796,587	2,202,506
	In relation to subsidiaries	1,999,478	2,202,506
	<b>Purchases of goods and services</b>	797,109	18,335
	In relation to subsidiaries	89,401	18,335
	<b>Management charges</b>	3,051,341	1,322,517
	In relation to subsidiaries	1,841,142	1,322,517
	<b>Royalties</b>	1,188,226	1,105,096
		302,388	
	In relation to non-immediate parent companies		
	In relation to subsidiaries	259,320	1,105,096
	<b>Amounts owed by group</b>	30,790,805	242,396,444
	In relation to immediate parent	8,020,079	4,680,384
	In relation to subsidiaries	22,770,726	237,716,060
	<b>Amounts owed by group</b>	52,187,185	247,617,302
	In relation to immediate parent	31,102,896	26,369,465
	In relation to subsidiaries	21,084,289	221,247,837

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**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****30 Related party transactions (continued)**

Key Management Compensation	2021 £	2020 £
Wages, salaries and short-term benefits	2,503,795	1,556,856
Post-employment benefits	51,698	41,409
Share-based payments	363,506	187,603
	<u>2,918,999</u>	<u>1,785,868</u>

Key management personnel include all directors across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group.

**31 Ultimate parent Company**

The immediate parent undertaking is Constellation Software UK Holdco Ltd, a Company incorporated in England and Wales.

Constellation Software Inc. is the largest and smallest Group which prepares consolidated financial statements in which the results of the Company and the Group are included. The financial statements of Constellation Software Inc. are available to the public and may be obtained from Gary Jonas Computing Ltd, 8133 Warden Ave, Suite 400, Markham, Ontario, Canada, L6G 1B3.

**32 Events after the reporting date**

On 22 March 2022 Jonas Computing (UK) Ltd purchased Power2SMS Limited for an initial consideration of £125,000 plus other contingent considerations. This acquisition is immaterial to the financial statements and therefore no information in respect of the fair values of assets and liabilities acquired has been included.

On 8 June 2022 Jonas Computing (UK) Ltd purchased Infoscience (Software) Limited for an initial consideration of €700,000 plus other contingent considerations. The purchase price accounting has not yet been completed on this acquisition and therefore no information in respect of the fair values of assets and liabilities acquired has been included.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****32 Events after the reporting date (continued)**

On 1 January 2022 Jonas Computing (UK) Ltd purchased AMT-Sybex Group Limited for an initial consideration of £23,000,000 plus other contingent considerations. Details of the purchase consideration, the provisional estimate net assets acquired and goodwill are as follows:

	Book value £	Adjustments £	Fair value £
Tangible fixed assets	52,489	599,946	652,435
Goodwill	22,802,592	(22,802,592)	-
Other intangibles assets	-	29,137,300	29,137,300
Cash and cash equivalents	210,767	-	210,767
Trade receivables	2,661,582	-	2,661,582
Other receivables	2,458,792	-	2,458,792
Amounts recoverable on long term contracts	2,160,255	-	2,160,255
Trade payables	(223,850)	-	(223,850)
Other liabilities	-	(599,946)	(599,946)
Deferred income	(7,292,089)	-	(7,292,089)
Other tax and social security	(314,854)	-	(314,854)
Accrued liabilities	(761,942)	-	(761,942)
Deferred tax	4,296,110	(6,103,293)	(1,807,183)
Net identifiable assets acquired	26,049,852	231,415	26,281,267
Goodwill			4,685,879
Total consideration			30,967,146
Consideration was satisfied by			£
Cash paid			15,179,766
Deferred consideration			15,787,380
Total consideration			30,967,146

**JONAS COMPUTING (UK) LIMITED**

Company Registration No. 05301607

**PARENT COMPANY STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>Non-current assets</b>			
Property, plant and equipment	2	-	-
Deferred tax assets	12	15,273	13,725
Investments in subsidiaries	4	89,323,905	75,265,183
Contract costs		21,366	34,984
		<u>89,360,544</u>	<u>75,313,892</u>
<b>Current assets</b>			
Contract assets		3	141
Inventories	6	11,560	14,029
Trade and other receivables	7	80,802,127	66,108,493
Cash and cash equivalents	8	24,320,331	5,073,352
		<u>105,134,021</u>	<u>71,196,015</u>
<b>Current liabilities</b>			
Borrowings	9	-	(4,680,384)
Trade and other payables	10	(109,332,618)	(99,981,740)
Contract liabilities		(591,388)	(1,022,228)
		<u>109,924,006</u>	<u>105,684,352</u>
<b>Net current liabilities</b>		<u>(4,789,985)</u>	<u>(34,488,337)</u>
<b>Total assets less current liabilities</b>		<u>84,570,559</u>	<u>40,825,555</u>
<b>Non-current liabilities</b>			
Non-current contract liabilities		(55,051)	(67,098)
Non-current other liabilities		-	(211,295)
<b>Net assets</b>		<u>84,515,508</u>	<u>40,547,162</u>

**JONAS COMPUTING (UK) LIMITED**

Company Registration No. 05301607

**PARENT COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>EQUITY</b>			
Called-up share capital	13	1	1
Share premium account		16,859,737	16,859,737
Capital contribution reserve		70,914,581	37,942,393
Retained earnings		(3,258,811)	(14,254,969)
<b>Total equity</b>		<b>84,515,508</b>	<b>40,547,162</b>

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement, nor a statement of comprehensive income, and related notes. The Company's profit for the year was £17,584,309 (2020: £7,869,648).

The financial statements on pages 67 to 86 were approved by the Board of Directors and authorised for issue on .....11 August 2022..... and are signed on its behalf by:

DocuSigned by  
  
 77F10B1D541149F  
**D P Boxall**  
 Director

The accompanying accounting policies and notes on pages 70 to 88 form an integral part of the financial statements.

**JONAS COMPUTING (UK) LIMITED**  
**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £	Share premium £	Capital contribution reserve £	Retained earnings £	Total £
Balance at 31 December 2019	1	16,859,737	27,590,070	(8,926,965)	35,522,843
Total comprehensive income for the year	-	-	-	7,869,648	7,869,648
Transactions with owners in their capacity as owners:					
Capital contribution	-	-	10,352,323	-	10,352,323
Dividends	-	-	-	(13,197,652)	(13,197,652)
Balance at 31 December 2020	1	16,859,737	37,942,393	(14,254,969)	40,547,162
Total comprehensive income for the year	-	-	-	17,584,309	17,584,309
Transactions with owners in their capacity as owners:					
Capital contribution	-	-	32,972,188	-	32,972,188
Dividends	-	-	-	(6,588,151)	(6,588,151)
Balance at 31 December 2021	1	6,859,737	70,914,581	(3,258,811)	84,515,508

The accompanying accounting policies and notes on pages 70 to 88 form an integral part of the financial statements.



## **JONAS COMPUTING (UK) LIMITED**

### **PARENT COMPANY ACCOUNTING POLICIES**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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##### **General information**

Jonas Computing (UK) Limited is a limited liability Company incorporated in the United Kingdom. Its registered office is Gladstone House, Hithercroft Road, Wallingford, Oxfordshire, OX10 9BT.

The principal activity of the Company is the provision of software solutions and services to the club market, including golf courses, city clubs and yacht clubs, trading under the Jonas, Clubminder and Springer Miller brands.

##### **Basis of preparation**

The parent Company financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies (see note 1).

The following principal accounting policies have been applied:

##### **Going concern**

The Company's forecasts for the period of 12 months following the approval of the financial statements has been reviewed, and accordingly the Company continues to adopt the going concern basis in preparing its financial statements.

The majority of Jonas Computing (UK) Limited's client base was forced to shut down due to COVID-19, and this caused higher attrition rates, module reductions and support discounts than normally seen, as a result of this, the Company has needed to review head count and increase their focus on expenses during 2020. However, as the Company comes out of the lockdown measures, they have been able to maintain a strong customer base and cashflow and forecasts are expected to return to normal by 2022.

##### **Financial reporting standard 101 -reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party 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
- the requirements of IAS 16 Property, Plant and Equipment to present a comparative reconciliation
- the requirements in IAS 24, 'Related party disclosures' (key management compensation)
- the requirements of paragraphs 134-136 of IAS 1 Presentation of Financial Statements for capital management disclosures
- the requirements of paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'.
- the effect of future accounting standards not adopted

**JONAS COMPUTING (UK) LIMITED**  
**PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Financial reporting standard 101 -reduced disclosure exemptions (continued)**

- presentation of comparative recognition of the number of shares outstanding at the beginning and end of the period

**Foreign currency translation**

*Functional and presentation currency*

The Company's functional and presentational currency is GBP.

*Transactions and balances*

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive Income, within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income, Within 'other operating income'.

**Revenue**

Revenue represents the amount the Company expects to receive for products and services in its contracts with customers, net of discounts and VAT. The Company recognises revenue under four revenue categories being, License, Hardware and other, Professional services, and Maintenance and other recurring revenue. Software license revenue is comprised of non-recurring license fees charged for the use of software products licensed under multiple-year or perpetual arrangements. Professional service revenue consists of fees charged for implementation services, custom programming, product training and consulting. Hardware and other revenue includes the resale of third party hardware as part of customised solutions, as well as sales of hardware assembled internally and the reimbursement of travel costs. Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes recurring fees derived from combined software/support contracts, transaction revenues, managed services, and hosted products.

## **JONAS COMPUTING (UK) LIMITED**

### **PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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##### **Revenue (continued)**

###### *Contracts with multiple products or services*

Typically, the Company enters into contracts that contain multiple products and services such as software licenses, hosted software-as-a-service, maintenance, professional services, and hardware. The Company evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Company's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer.

Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation. Where contract consists of more than one performance obligation, revenue is allocated to each based on their estimated standalone selling price (SSP).

###### *Nature of products and services*

The Company sells on-premise software licenses on both a perpetual and specified-term basis. Revenue from the license of distinct software is recognised at the time that both the right-to-use the software has commenced and the software has been made available to the customer. Certain of the Company's contracts with customers contain provisions that require the customer to renew optional support and maintenance in order to maintain the active right to use a perpetual or term license. The renewal payments after the initial bundled support and maintenance term in these cases apply to both the continued right-to-use the license and the support and maintenance renewal. Where the fees payable for the initial term are incremental to the fees for the renewal terms, the excess is treated as a prepayment for expected renewals and allocated (amortised) evenly over the expected customer renewals, up to the estimated life of the software that is typically 4-6 years. Revenue from the license of software that involves complex implementation or customisation that is not distinct, and/or includes sales of hardware that is not distinct, is recognised as a combined performance obligation using the percentage-of-completion method based either on the achievement of contractually defined milestones or based on labour hours.

A portion of the Company's sales, categorised as hardware and other revenue, are accounted for as product revenue. Product revenue is recognised when control of the product has transferred under the terms of an enforceable contract.

Revenue related to the customer reimbursement of travel related expenses incurred during a project implementation where the Company is the principal in the arrangement is included in the hardware and other revenue category. Revenue is recognised as costs are incurred which is consistent with the period in which the costs are invoiced. Reimbursable travel expenses incurred for which an invoice has not been issued, are recorded as part of unbilled revenue on the statement of financial position.

Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes, to a lesser extent, recurring fees derived from software licenses that are not distinct from maintenance, transaction revenues, managed services, and hosted products.

Revenue from software-as-a-service (SaaS) arrangements, which allows customers to use hosted software over a term without taking possession of the software, are provided on a subscription basis. Revenue from the SaaS subscription, which includes the hosted software and maintenance is recognised rateably over the term of the subscription. Significant incremental payments for SaaS in an initial term are recognised rateably over the expected renewal periods, up to the estimated life of the software.

**JONAS COMPUTING (UK) LIMITED**  
**PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Revenue (continued)**

Professional services revenue including installation, implementation, training and customization of software is recognised by the stage of completion of the performance obligation determined using the percentage of completion method noted above or as such services are performed as appropriate in the circumstances. The revenue and profit of fixed price contracts is recognised on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably but the Company expects to recover its costs, the amount of expected costs is treated as variable consideration and the transaction price is updated as more information becomes known.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in unbilled revenue. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

**Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

To date, no material development expenditures have been capitalised.

**Finance costs**

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

**Financial instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in profit or loss.

**JONAS COMPUTING (UK) LIMITED**  
**PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Financial instruments (continued)**

*Financial assets*

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

*Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each end of reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The Company recognises an allowance for expected credit losses, or an "ECL", for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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 from 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 the exposure, irrespective of the timing of the default (a lifetime ECL).

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

## **JONAS COMPUTING (UK) LIMITED**

### **PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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##### **Financial instruments (continued)**

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### *Reclassification of financial assets*

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

##### *Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

##### *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

**JONAS COMPUTING (UK) LIMITED**  
**PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Financial instruments (continued)**

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

*Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

*Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

*Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**Pensions**

*Defined contribution pension plan*

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

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

## **JONAS COMPUTING (UK) LIMITED**

### **PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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##### **Current and deferred taxation**

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

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

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

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

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

##### **Intangible assets**

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

##### **Property, plant and equipment**

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

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 20-25%
Computer equipment	- 20-25%
Other fixed assets	- 33%



## **JONAS COMPUTING (UK) LIMITED**

### **PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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##### ***Property, plant and equipment (continued)***

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive Income.

##### **Impairment of non-financial assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### **Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **Inventories**

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting

# **JONAS COMPUTING (UK) LIMITED**

## **NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **1 Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

##### **Key Sources of Estimation Uncertainty**

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumption and estimates made. Changes will be recorded, with corresponding effect in the statement of comprehensive income, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

##### *Impairment reviews*

The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the aging profile of receivables and historical experience. See note 4 for the net carrying amount of the receivables.

The Company also makes an estimate of the recoverable value of investments. When assessing impairment of investments, management review discounted future cashflows forecasts along with the current financial position and industry knowledge.

##### **Critical Accounting Judgements**

##### *Deferred tax assets*

The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes to the measurement of deferred tax assets.

##### *Provisions*

In recognising provisions, the Company evaluates the extent to which it is possible that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

##### *Write-down of inventories*

Management estimate that net realisable values of inventory, taking into account the most reliable evidence at each reporting date. The future realisation of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****2 Property, plant and equipment**

	<b>Computer equipment £</b>	<b>Hardware £</b>	<b>Total £</b>
<b>Cost</b>			
As at 1 January and 31 December 2021	7,020	1,241	8,261
<b>Depreciation</b>			
As at 1 January and 31 December 2021	(7,020)	(1,241)	(8,261)
<b>Net book value</b>			
As at 31 December 2021	-	-	-
As at 31 December 2020	-	-	-

**3 Other intangible assets**

	<b>Customer relationships £</b>	<b>Development costs £</b>	<b>Total £</b>
<b>Cost</b>			
As at 1 January and 31 December 2021	525,444	15,000	540,444
<b>Depreciation</b>			
As at 1 January and 31 December 2021	(525,444)	(15,000)	(540,444)
<b>Net book value</b>			
As at 31 December 2021	-	-	-
As at 31 December 2020	-	-	-

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****4 Investments****Investments in subsidiary entities****£****Cost**

As at 1 January 2021

91,587,615

Additions

15,157,066

Disposal

As at 31 December 2021

106,744,681

**Allowances for impairment**

As at 1 January 2021

(16,322,432)

Impairment

(1,098,345)

As at 31 December 2021

(17,420,777)

**Net book value**

As at 31 December 2021

89,323,904

As at 31 December 2020

75,265,183

As a result of COVID-19, some of business units suffered from a reduction in cashflow and net income, and as a result of this a number of Jonas Computing (UK) Limited's investments needed to be impaired during the year. The total value of impairments made during the year was £1,098,345 (2020 - £6,627,261). The recoverable value of Jonas Computing (UK) Limited's investments in aggregate is £145,154,859 which is based on the fair value, calculated using the 2021 EBITDA and a multiple rate of 8.

**5 Subsidiaries**

All companies listed below are owned by the Company and all interests are in the ordinary share capital, except where otherwise indicated. All subsidiaries have been consolidated.

The Company holds a majority of the voting rights of the following undertakings:

Entity	Country of incorporation	Interest	Holding	Address (see below for full)
XN Leisure Systems Limited	UK	100%	Direct	Warwick Road
Fitronics Limited	UK	100%	Direct	Monmouth Place
WebCreative UK Limited	UK	100%	Direct	Gladstone House
AMI Education Solutions Limited	UK	100%	Direct	Gladstone House
Tucasi Limited	UK	100%	Direct	Wessex House
London & Zurich Limited	UK	100%	Direct	The Courtyard
London & Zurich Finance Limited	UK	100%	Indirect	The Courtyard
Paygate Solutions Limited	UK	100%	Indirect	The Courtyard
Metalogic Holdings Limited	UK	100%	Direct	Gladstone House
Metalogic Limited	UK	100%	Indirect	Gladstone House
Cash Registers (Buccleuch) Limited	UK	100%	Direct	Dryden Road
C.R.B. Solutions Limited	UK	100%	Indirect	Dryden Road
EZ-Runner Systems Limited	UK	100%	Direct	Gladstone House
PCI Systems Limited	UK	100%	Direct	PCI House
Salon Software Solutions Limited	UK	100%	Direct	Warwick Road

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****5 Subsidiaries (continued)**

WM-Data Deutschland GmbH	Germany	100%	Direct	Prinzenallee 7
Genexus Consulting S.A.	Uruguay	100%	Direct	Avenida Italia 6201
Magalink S.A.	Uruguay	100%	Direct	Avenida Italia 6201
Corporate Software and Asset Management Limited	UK	100%	Direct	Pavillion3
Cunningham Cash Registers Limited	UK	100%	Direct	Headley Technology Park
Jonas Event Technology Limited	UK	100%	Direct	Gladstone House
Show Data Systems Limited	UK	100%	Indirect	Gladstone House
Interchange Communications Limited	UK	100%	Indirect	Gladstone House
FashionMaster Limited	UK	100%	Direct	Gladstone House
Invicta Business Machines Limited	UK	100%	Indirect	Gladstone House
ePOS Development Limited	UK	100%	Indirect	Gladstone House
Stockmaster Metals Limited	UK	100%	Indirect	Gladstone House
MCR Enterprise Solutions Limited	UK	100%	Direct	High View Close
MCR Systems Limited	UK	100%	Indirect	Vantage House
Blayhall Marine Limited	UK	100%	Direct	Warwick Road
Havenstar MMS Limited	UK	100%	Indirect	Warwick Road
Havenstar Software Solutions Limited	UK	100%	Indirect	Warwick Road
Greycon Limited	UK	100%	Direct	Calico House
Greycon Software SA	Uruguay	100%	Indirect	Javier de Viana
Greycon Software Support & Development MEPE	Greece	100%	Indirect	Karneadou
Shandong Greycon Software Technology Limited	China	100%	Indirect	Suite 905
Minted Box Education Limited	UK	100%	Direct	Wessex House
Green 4 Solutions Limited	UK	100%	Direct	Gladstone House
Motion Software Limited	UK	100%	Direct	Grandholm Drive
Retail & Sports Systems Limited	UK	100%	Direct	Station Street
Uniware Systems	UK	100%	Direct	Gladstone House
Vesta Merchant Services Limited (formerly Upay Limited)	UK	100%	Direct	Gladstone House
Paygate Payment Solutions Limited (Formerly Paygate Solutions Limited)	UK	100%	Direct	Meadway Park
4Sight Sport & Leisure Ltd	UK	100%	Direct	Gladstone House
Contronics (Holdings) Limited	UK	100%	Direct	Greenfield Farm Estate
Contronics Limited	UK	100%	Direct	Greenfield Farm Estate
Fordman Systems Limited	UK	100%	Direct	PO Box CW12 4TU
Bluestar Software Limited	UK	100%	Direct	Gladstone House

**Address**

Warwick Road

Monmouth Place  
Gladstone House

The Courtyard

**Full address**

Unit 5, 707 Warwick Road Top Floor, Warwick Road, Solihull, B91 3DA.

18 Monmouth Place, Bath, BA1 2AY  
Gladstone House, Hithercroft Road, Wallingford, Oxfordshire, England, OX10 9BT

Unit 5, The Courtyard, 707 Warwick Road, Solihull, B91 3DA

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****5 Subsidiaries (continued)**

Dryden Road	32 Dryden Road, Units 1-9, Loanhead, Bilston Glen, EH20 9LZ
Pci House	Pci House Unit 1 Woodseats Close, Woodseats Close, Sheffield, S. Yorkshire, S8 0TB
Headley Technology Park	Headley Technology Park, Middle Lane Wythall, Birmingham, Warwickshire, B38 0DS
High View Close	14 High View Close, Leicester, LE4 9LJ
Vantage House	Vantage House, Vantage Park, Leicester, LE4 9LJ
Calico House	7 Calico House, Plantation Wharf, York Road, London, SW11 3TN
W.Bryn Mawr	8870 W.Bryn Mawr, Suite 1300, Chicago, IL 60631, United States of America
Javier de Viana	Javier de Viana 2384, Montevideo, Uruguay, CP 11200
Karneadou	Karneadou 15, Kolonaki, Athens, 106 75
Suite 905	Suite 905, Financial Center B, East Sheng Cheng Road, Shouguang City, Shandong, 262700, China
Gremi Fusters	Gremi Fusters 33, Oficina 302, 07009 Palma de Mallorca, Spain
Carrera	Carrera 100 # 5-169, Torre Oasis, Piso 7, Oficinas 712 – 713, Cali, Colombia
Grandholm Drive	Pavilion 3 115 Grandholm Drive, Aberdeen, AB22 8AE
Station Street	Unit 5 Cabourn House Station Street, Bingham, Nottingham, NG 13 8AQ
Meadway Park	7 Meadway Court Meadway Technology Park, Stevenage, SG1 2EF
Greenfield Farm Estate	Congleton, Cheshire, CW12 4TU
PO Box CW12 4TU	C/O Contronics Ltd, Congleton, Cheshire, CW12 4TU
Pavillion 3	Pavillion 3 Grandholm Drive, Bridge Of Don, Aberdeen, Scotland
Prinzenallee 7	Prinzenallee 7, 40549, Dusseldorf, Germany
Avenida Italia 6201	Avenida Italia 6201, Edificio Los Pinos P1, Montevideo, Uruguay

**Parent Company guarantee**

The following subsidiary companies are exempt from the requirements under the Companies Act 2006 relating to the audit of financial statements under section 479A of that Act. Jonas Computing (UK) Limited has provided a parent Company guarantee over the liabilities of each of these subsidiary companies, pursuant to section 479C of the Companies Act 2006.

<b>Company name</b>	<b>Company number</b>
XN Leisure Systems Limited	05961469
Fitronics Limited	04530620
WebCreative UK Limited	03907760
AMI Education Solutions Limited	02613240
Tucasi Limited	05060375
London & Zurich Limited	03279428
Paygate Solutions Limited	03206476
Metalogic Holdings Limited	06329035
Metalogic Limited	02648289
Cash Registers (Buccleuch) Limited	SC044087
Salon Software Solutions Limited	08930241
Cunningham Cash Registers Limited	01221095
Jonas Event Technology Limited	06565756

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****5 Subsidiaries (continued)**

PCI Systems Limited	03336338
Show Data Systems Limited	07864900
Interchange Communications Limited	02581005
FashionMaster Limited	08264830
London and Zurich Finance Limited	02333318
Invicta Business Machines Limited	01035809
Stockmaster Metals Limited	03943927
MCR Enterprise Solutions Limited	08242670
MCR Systems Limited	01349701
Havenstar MMS Limited	09296184
EZ-Runner Systems Limited	07034097
Minted Box Education Limited	08704772
ePOS Developments Limited	04242142
Greycon Limited	01861647
Blayhall Marine Limited	09314913
Havenstar Software Solutions Limited	08569992
Green 4 Solutions Limited	05515543
4Sight Sport & Leisure Ltd	07702320
Uniware Systems Limited	02890249
Vesta Merchant Services Limited (formerly Upay Limited)	07108015
Motion Software Limited	SC218287
Retail & Sports Systems Limited	06762041
Paygate Payment Solutions Limited (Formerly Paygate Solutions Limited)	FC034203
Contronics (Holdings) Limited	09322549
Contronics Limited	01390386
Bluestar Software Limited	03537860
Corporate Software and Asset Management Ltd.	SC213890

<b>6 Inventories</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	11,560	14,029
	<u>11,560</u>	<u>14,029</u>
<b>7 Trade and other receivables</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade receivables	102,939	752,774
Amounts due from fellow Group undertakings	79,964,090	65,078,518
Prepayments	181,744	35,283
Other receivables	135,380	22,686
Corporation tax recoverable	417,974	219,232
	<u>80,802,127</u>	<u>66,108,493</u>

The amounts due from fellow Group undertakings are unsecured and are repayable on demand.

**JONAS COMPUTING (UK) LIMITED****NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>8</b>	<b>Cash and cash equivalents</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Cash at bank and in hand	24,320,331	5,073,352
<b>9</b>	<b>Borrowings</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Amounts due to fellow Group undertakings	-	4,680,384
			<u>4,680,384</u>

During January 2015 Jonas Computing (UK) Ltd entered in to 3 loan agreements with CSI Luxembourg for; £1,824,840, £1,875,000 and £950,160. The loans were later assigned from CSI Luxembourg to Constellation Software Holdco Ltd, however Jonas Computing (UK) Ltd was still required to remit interest at 8% to Constellation Software UK Holdco Limited, in line with the agreements. Repayment was made on 1st October 2021, 14th August 2021 and 10th December 2021, respectively.

<b>10</b>	<b>Trade and other payables: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Trade payables	476	118,883
	Amounts due to fellow Group undertakings	98,013,495	94,570,219
	Other tax and social security	125,130	120,464
	Other payables - Earnout Liability	10,464,099	4,952,853
	Other payables	42,149	9,717
	Accrued liabilities	687,269	209,604
		<u>109,332,618</u>	<u>99,981,740</u>

The amounts due to fellow Group undertakings are unsecured and are repayable on demand.



**JONAS COMPUTING (UK) LIMITED****NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****11 Deferred tax**

The movement on the deferred income tax account is as shown below:

	<b>Assets</b>
	<b>£</b>
As at 1 January 2021	5,991
Debit to profit and loss	9,288
	<hr/>
As at 31 December 2021	15,279
	<hr/>

The deferred tax asset is made up as follows.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Decelerated capital allowances		793
Retirement benefit obligations	2,865	5,198
Tax losses carried forward	-	7,734
General Provisions	12,414	
	<hr/>	<hr/>
As at 31 December	15,279	13,725
	<hr/>	<hr/>

**12 Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1	1	1
	<hr/>	<hr/>

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

## **JONAS COMPUTING (UK) LIMITED**

### **NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **13 Reserves**

##### *Share premium account*

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

##### *Capital contribution*

The capital contribution reserve includes additional capital received on existing issue of share capital.

The capital contribution reserve has arisen from contributions received during the year from Constellation Software UK Holdco Limited £32,972,188 (2020: £10,352,323). The contributions are in connection with closing payments, earn outs and hold back payments for the acquisition of the following entities:

Greycon UK Limited  
Contronics Limited  
Jonas Lifestyle Limited  
Magalink S.A.  
GXC S.A.  
BlueStar Software Limited  
AMT Sybex Group Limited

##### *Retained earnings*

Retained earnings include cumulative profit and loss net of distributions to owners.

#### **14 Contingent liabilities**

In the event that bank indebtedness arises in the ultimate parent undertaking, Constellation Software Inc., it is secured by means of an unlimited guarantee and debenture over the assets of the Company and other Group undertakings.

#### **15 Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £14,574 (2020: £15,977). £2,815 payable to the fund at the end of the year end date (2020: £nil).

#### **16 Related party transactions**

As permitted by FRS 101, related party transactions with wholly owned members of Constellation Software Inc. have not been disclosed.

#### **17 Controlling party**

The largest and smallest Group in which the results are consolidated is that headed by Constellation Software Inc. Constellation Software Inc. is also the ultimate controlling part of the Company. The consolidated accounts of Constellation Software Inc. are available to the public and may be obtained from Gary Jonas Computing Ltd, 8133 Warden Ave, Suite 400, Markham, Ontario, Canada, L6G 1B3.

## **JONAS COMPUTING (UK) LIMITED**

### **NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **18 Events after the reporting date**

On 22 March 2022 Jonas Computing (UK) Ltd purchased Power2SMS Limited for an initial consideration of £125,000 plus other contingent considerations.

On 8 June 2022 Jonas Computing (UK) Ltd purchased Infoscience (Software) Limited for an initial consideration of €700,000 plus other contingent considerations.

On 1 January 2022 Jonas Computing (UK) Ltd purchased AMT-Sybex Group Limited for an initial consideration of £23,000,000 plus other contingent considerations.