

Registered number: 02648289

**METALOGIC LIMITED**

**UNAUDITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



**METALOGIC LIMITED**

**COMPANY INFORMATION**

**Directors**

D Boxall  
L Harrison  
S R Saklad (appointed 1 January 2019)

**Company secretary**

C Riggott (appointed 14 August 2020)  
J Belghoul (appointed 9 November 2019 and resigned 14 August 2020)  
L Orme (resigned 8 November 2019)

**Registered number**

02648289

**Registered office**

Gladstone House  
Hithercroft Road  
Wallingford  
Oxfordshire  
OX10 9BT

## **METALOGIC LIMITED**

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## **METALOGIC LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **Introduction**

The Directors present the Strategic Report and Financial Statements for the year ended 31 December 2019.

#### **Business review**

Metalogic Limited ("the Company") is a wholly owned subsidiary of Constellation Software Inc. a Canadian company listed on the Toronto Stock Exchange ("TSX").

As a wholly owned subsidiary, the Company benefits from the operational and financial support of its ultimate parent and intermediate parent company, Gary Jonas Computing ("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 and Retail industries.

#### **Principal risks and uncertainties**

Continued pressure on tariffs and trades from North America and responses by other trading blocks have caused significant difficulties in the metals market. In addition, shortages of iron ore and other materials through bad weather and lately the Covid pandemic have impacted heavily on the requirements for working capital and cash flows. This has lead to a number of company closures in the UK market. Tata Steels' sale of the Scunthorpe Steel Manufacturing plant has since now been sold to Chinese investors as the market continues to have difficulties.

The UK market opportunities for the Company will mainly be from smaller clients as companies find difficulties in supporting older operating systems, hardware, and the move to cloud products.

The long term UK future is still very uncertain and the continued low price of gas and oil has meant that two large contracts that were put on hold have been cancelled. Reduction in investment in this important market, is concerning and so action has been taken to mitigate this problem by investment in our overseas marketing and sale drive.

Subsequent to the year end, COVID-19 has been declared a global pandemic by the World Health Organisation. The Directors have considered the impact of COVID-19 on the Company and the accounting estimates and assumptions made by the Directors during the year ended 31 December 2019 and do not consider that it has any material financial impact on the financial statements for the year ended 31 December 2019.

Despite the uncertain trading conditions caused by the pandemic, revenue and operating profit in 2020 were broadly in line with 2019. It has not been necessary for the Company to utilise the Coronavirus Job Retention Scheme or to utilise the loans offered by the UK Government in response to the pandemic.

The Company has all its UK and USA staff working from home, with cloud based technologies, allowing effective efficient home working which has caused little if no impact on the Company's performance and clients have recognised this with their continued support of all contracts for maintenance.

With this in mind the Company has commenced development of new mobile technologies aimed at minimising the contact between employees in the office and on the warehouse floor and sees this as a growth area.

A recently recognised concern has been in relation to clients looking to use new financial applications either for cost reduction or technology reasons. In response to this, the development of a new interface for flexible financial integration will minimise any potential risks by allowing iMetal to be integrated to any API compliant solution.

**METALOGIC LIMITED****STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019****Key Performance Indicators**

In alignment with group policy, the Company considers its Key Performance Indicators ("KPIs") to be those which drive shareholder value, namely Growth in Gross Profit ("GGP") and Profitability.


	2019	2018	2017
Growth in Gross Profit	-%	11%	(3)%
Profit before tax	1,699,702	1,770,184	1,308,405

In addition to the above KPIs, the Company also pays close attention to its net current assets position. Jonas requires that the Company 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 Company 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 Company is a part, these financial statements should be read in conjunction with those of Constellation Software Inc

**Going Concern**

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

This report was approved by the board and signed on its behalf by:

DocuSigned by:  
  
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**D Boxall**

Director

Date: 10 May 2021

## **METALOGIC LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

#### **Principal activity**

The principal activity of the Company continued to be that of the development, sale and support of computer software for the metal distribution sector and provision of related consultancy services.

#### **Directors**

The Directors who served during the year were:

D Boxall  
L Harrison  
S R Saklad (appointed 1 January 2019)

#### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,341,449 (2018 (Restated) - £1,820,956).

Dividends of £650,000 (2018: £1,201,000) were paid during the year. The Directors do not recommend the payment of a final dividend.

#### **Matters covered in the 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 Company.

#### **Post balance sheet events**

The impact of COVID-19 on the Company has been addressed by the Directors in the Strategic Report. There were no other post balance sheet events impacting the Company.


**METALOGIC LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**Small companies note**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

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**D Boxall**  
Director  
Date: 10 May 2021

**METALOGIC LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	As restated 2018 £
Turnover	4	3,766,366	3,739,655
Cost of sales		(299,013)	(259,430)
<b>Gross profit</b>		<b>3,467,353</b>	<b>3,480,225</b>
Administrative expenses		(1,767,651)	(1,710,041)
<b>Operating profit</b>		<b>1,699,702</b>	<b>1,770,184</b>
Tax on profit	7	(358,253)	50,772
<b>Profit for the financial year</b>		<b>1,341,449</b>	<b>1,820,956</b>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 8 to 17 form part of these financial statements.



**METALOGIC LIMITED**  
**REGISTERED NUMBER: 02648289**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	As restated 2018 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	9,575,658	5,417,685
Cash at bank and in hand	9	-	7,188
		<u>9,575,658</u>	<u>5,424,873</u>
Creditors: amounts falling due within one year		<u>(6,881,317)</u>	<u>(2,966,859)</u>
<b>Net current assets</b>		<b>2,694,341</b>	<b>2,458,014</b>
<b>Total assets less current liabilities</b>		<b>2,694,341</b>	<b>2,458,014</b>
<b>Net assets</b>		<b>2,694,341</b>	<b>2,458,014</b>
Deferred income		273,086	728,208
<b>Capital and reserves</b>			
Called up share capital	12	50,000	50,000
Profit and loss account		2,371,255	1,679,806
		<u>2,694,341</u>	<u>2,458,014</u>


The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 479A of the Companies Act 2006.

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

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
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**D Boxall**  
 Director  
 Date: 10 May 2021

**METALOGIC LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£
At 1 January 2019	50,000	1,679,806	1,729,806
Profit for the year	-	1,341,449	1,341,449
Dividends: Equity capital	-	(650,000)	(650,000)
<b>At 31 December 2019</b>	<b>50,000</b>	<b>2,371,255</b>	<b>2,421,255</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£
At 1 January 2018 (as previously stated)	50,000	1,799,914	1,849,914
Prior year adjustment (note 16)	-	(740,064)	(740,064)
At 1 January 2018 (as restated)	50,000	1,059,850	1,109,850
Profit for the year	-	1,820,956	1,820,956
Dividends: Equity capital	-	(1,201,000)	(1,201,000)
<b>At 31 December 2018</b>	<b>50,000</b>	<b>1,679,806</b>	<b>1,729,806</b>

The notes on pages 8 to 17 form part of these financial statements.

## **METALOGIC LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. General information**

Metalogic Limited is a limited liability company incorporated in the United Kingdom, its registered office is Gladstone House, Hithercroft Road, Wallingford, Oxfordshire. OX10 9BT.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The 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's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 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 the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A 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

##### **2.3 Going concern**

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

## **METALOGIC LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. Accounting policies (continued)**

##### **2.4 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 profit or loss.

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 profit or loss within 'other operating income'.

##### **2.5 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Software licenses are recognised on delivery of the software license. When delivery of goods is delayed at the customers' request, and the customer specifically acknowledges the deferred delivery instructions and the usual payment terms apply, revenue is recognised when the customer takes title of the goods.

Consultancy and training revenues provided on a time and material basis are recognised when the service has been performed. For services performed on a fixed price basis, revenue is recognised proportionately to the percentage of planned costs incurred.

Maintenance renewals are recognised over the period of which the maintenance contract covers.

Where a contract consists of various components that operate independently of each other, the Company recognises revenue for each component as if it were one individual contract.

**METALOGIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****2. Accounting policies (continued)****2.6 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.

**2.7 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 profit or loss 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.

**2.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

**METALOGIC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. Accounting policies (continued)**

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 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.

**2.11 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.13 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.

**METALOGIC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**3. 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.

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:

**Deferred tax**

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.

**METALOGIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****4. Turnover**

The whole of the turnover is attributable to its principal activity. All turnover arose in the United Kingdom.

**5. Employees**

	2019 £	2018 £
Wages and salaries	1,073,795	1,078,213
Social security costs	149,331	136,399
Cost of defined contribution scheme	111,637	106,510
	<u>1,334,763</u>	<u>1,321,122</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2019 No.	2018 No.
General and Administration	2	3
Sales and Marketing	2	2
Research and Development	7	7
Professional Services	7	5
Maintenance	7	7
	<u>25</u>	<u>24</u>

**6. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	50,334	128,046
Directors' pension costs	2,641	10,000
	<u>52,975</u>	<u>138,046</u>

During the year retirement benefits were accruing to 2 Directors (2018 - 1) in respect of defined contribution pension schemes.



## METALOGIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

## 7. Taxation

	2019 £	As restated 2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	325,705	-
Adjustments in respect of previous periods	28,374	(50,772)
<b>Total current tax</b>	<b>354,079</b>	<b>(50,772)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4,174	-
<b>Taxation on profit/(loss) on ordinary activities</b>	<b>358,253</b>	<b>(50,772)</b>

**Factors affecting tax charge for the year**

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

	2019 £	As restated 2018 £
Profit on ordinary activities before tax	1,699,702	1,754,747
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	322,943	335,251
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,626	-
Capital allowances for year in excess of depreciation	(864)	(347)
Adjustments to tax charge in respect of prior periods	28,373	(50,772)
Other timing differences leading to an increase (decrease) in taxation	4,175	(143,625)
Group relief	-	(191,279)
<b>Total tax charge for the year</b>	<b>358,253</b>	<b>(50,772)</b>

**Factors that may affect future tax charges**

The potential deferred tax asset was measured at 17% as the main corporation tax rate applicable from 1 April 2020 which was enacted at the balance sheet date in accordance with Finance Act 2016. In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

**METALOGIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****8. Debtors**

	2019 £	As restated 2018 £
Trade debtors	773,912	682,387
Amounts owed by group undertakings	8,602,112	4,663,673
Other debtors	75,148	30,210
Prepayments and accrued income	123,773	36,526
Deferred taxation	713	4,889
	<u>9,575,658</u>	<u>5,417,685</u>

**9. Cash and cash equivalents**

	2019 £	2018 £
Bank current accounts	-	7,188
Less: bank overdrafts	<u>(165,941)</u>	<u>-</u>

**10. Creditors: Amounts falling due within one year**

	2019 £	As restated 2018 £
Bank overdrafts	165,941	-
Trade creditors	398	-
Amounts owed to group undertakings	5,719,154	2,281,115
Other taxation and social security	558,526	474,096
Other creditors	809	13
Accruals and deferred income	436,490	211,634
	<u>6,881,318</u>	<u>2,966,858</u>

Jonas requires that the Company 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 Company 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 Company is a part, these financial statements should be read in conjunction with those of Constellation Software Inc.

**METALOGIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****11. Deferred taxation**

	<b>2019</b> <b>£</b>
At beginning of year	4,889
Charged to profit or loss	(4,176)
<b>At end of year</b>	<b>713</b>

The deferred tax asset is made up as follows:

	<b>2019</b> <b>£</b>	As restated 2018 <b>£</b>
Decelerated capital allowances	713	4,889
	<b>713</b>	<b>4,889</b>

**12. Share capital**

	<b>2019</b> <b>£</b>	2018 <b>£</b>
<b>Allotted, called up and fully paid</b>		
50,000 (2018 - 50,000) Ordinary shares of £1.00 each	<b>50,000</b>	50,000

**13. Prior year adjustment**

The Company adopted IFRS 15 Revenue from Contracts with Customers, effective 1 January 2018, using the cumulative effect method, in the financial statements for the year ended 31 December 2018. Under the cumulative effect method the Company should have recognised the cumulative effect of initially applying IFRS15 as an adjustment to the opening balance of retained earnings as at 1 January 2018. The comparative information would not have been restated.

There was an error in the disclosure of the adjustment to the opening balance of retained earnings at 1 January 2018 and therefore the Statement of Changes in Equity for the year ended 31 December 2018 has been restated in these financial statements.

The impact of the adoption of IFRS 15 was to decrease retained earnings at 1 January 2018 by £740,064.

The impact of restating the 2018 comparatives as a result of correcting the error is an increase to profit for the year ended 31 December 2018 of £661,053 and a decrease in net assets at 31 December 2018 of £79,011.

**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.

**METALOGIC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**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 £111,637 (2018: £106,510). Contributions totalling £nil (2018: £8,894) were payable to the fund at the end of the year end date.

**16. Related party transactions**

The company is exempt under Paragraph 8(k) of FRS 101 from disclosing related party transactions with entities that are part of the group headed by Constellation Software Inc., where 100% of the voting rights are controlled within the group.

**17. Controlling party**

The immediate parent company is Metalogic Holdings Limited, a company incorporated in England and Wales. The smallest group in which the results are consolidated is that of Jonas Computing (UK) Limited, the consolidated financial statements of which can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The largest group in which the results are consolidated is that headed by Constellation Software Inc. Constellation Software Inc. is also the ultimate controlling party 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.