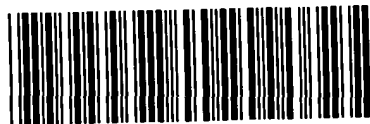


Registered no: 2766416

**Infor (United Kingdom) Limited
Annual report and financial statements
for the year ended 31 December 2021**

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Infor (United Kingdom) Limited

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Infor (United Kingdom) Limited

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Directors and advisers

Directors

J B Kasper
T Holloway
J Allsop

Registered Office

One Central Boulevard
Blythe Valley Park
Shirley
Solihull
B90 8BG

Independent Auditors

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
17th Floor
103 Colmore Row
Birmingham
B3 3AG

Infor (United Kingdom) Limited
Registered no: 2766416

Strategic report for the year ended 31 December 2021

Our products and services

Infor is one of the largest providers of enterprise software and services in the world. We design, develop, market, sell, implement and support enterprise business software applications, primarily to large and medium-sized enterprises across a range of industries. Our software and services offerings help automate and integrate critical business processes, which enable our customers to better manage their suppliers, partners, customers and employees, as well as their business operations generally. We also offer a number of flexible deployment options for customers, allowing them to run our software on-premise, on a hosted basis or in the cloud.

The company is an indirect subsidiary of Infor, Inc., and ultimately of Koch Industries, Inc. The Infor group of companies headed by Infor, Inc., operates as a standalone subsidiary of Koch Industries, Inc.

Principal activities

Infor (United Kingdom) Limited markets, sells, implements and supports enterprise business software applications, primarily to large and medium-sized enterprises across a range of industries.

Our strategy

The foundation of Infor's strategy is our deep commitment to industry specialisation. Powered by the cloud, Infor's complete industry suites incorporate network, analytics, and AI capabilities to make connections across the enterprise and beyond, providing the visibility, insights, and information companies need to perform and serve customers better in dynamic, highly competitive markets. The principal features of our strategy include:

Industry. Infor software provides deep industry functionality without complex and expensive customisations. Industry best practices based on decades of experience and thousands of implementations are built in, along with pre-packaged workflows, content, integrations, and analytics. The result is that deployments are simpler and faster, users are more productive, and the business is more efficient from stem to stern.

Cloud. Infor CloudSuites offer highly secure, redundant availability zones via Amazon Web Services, a global cloud leader. Practices for provisioning, self-service, monitoring, scalability, and business continuity are built in, while elastic computing power, hyper-scale, and an unlimited data lake provide the flexibility to manage change and pursue new opportunities. With automatic upgrades that ensure applications are always up to date, these solutions provide a long-term platform for growth and provide what we believe to be a lower total cost of ownership than those of our largest competitors.

Network. Businesses today compete on the strength of their business networks. With so much relevant data now residing outside the typical company's four walls, visibility is both a challenge and an imperative. Infor runs a cloud commerce platform, connecting over 70,000 trading partners and supporting approximately \$2 trillion in annual trade. Providing real-time visibility of orders and inventory in transit or at rest for global omni-channel fulfilment, the Infor Nexus commerce network gives customers the ability to effectively and consistently meet demanding customers' expectations.

Analytics. Businesses have access to more information than ever before but making it actionable is a challenge. Infor helps turn information into action with a common analytics platform and data lake for Infor and third-party applications, including automated data refinement and common semantics. Self-service analytics for end users is delivered via consumer-grade visualisation, data blending, and data discovery tools, while pre-packaged industry and role-based content can help increase productivity. Data surfaced automatically to users also supports immediate and proactive decision making across the enterprise.

Artificial Intelligence. Infor is using the power of AI to re-imagine what the experience of using business software can be. Beyond simply augmenting or automating day-to-day work, Infor's AI, known as Coleman, serves as a science-driven, industry-aware, intelligent assistant that anticipates, advises, and derives insights from business data. By providing user assistance, deep insights and contextual recommendations across application and data silos, Coleman acts as a true business advisor and helps stakeholders make the most informed decisions every time.

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Strategic report for the year ended 31 December 2021 (continued)

Review of business

The company's loss for the financial year is £565,000 (8 months ended 31 December 2020: loss of £4,419,000), which has been transferred from reserves.

The underlying business has remained consistent with the comparative period with a marginal increase in gross margin. The company has experienced one-off items such as the £7.8 million gain on sale of business, offset by £1.3 million written off investments in the current year. The gain on exchange of £1.3 million has also improved the company's result, following a loss on exchange of £2.8 million in the prior period.

The directors believe the prospects for the future are good.

Key performance indicators (KPIs)

The following KPIs have been prepared to assist with an understanding of the performance of the company.

	Year ended 31 December 2021	8 months ended 31 December 2020
Revenue	£144,136,000	£93,832,000
Earnings before interest, tax, depreciation/amortisation and foreign exchange	£3,414,000	£2,613,000
Current ratio (current assets/current liabilities)	0.58	0.58
Average quarterly days sales outstanding (DSO) for the UK	45	67
Infor Group R&D spend	USD522.9m	USD318.8m

The revenue measure has increased due to the longer period. The profit measure has also improved, though not at the same rate due to the gain on sale and impairment discussed above, together with £7 million increased salary costs impacting the effect of the higher revenue. The DSO has improved significantly due to improved collections. The current ratio has remained consistent and the company is still reliant on group support with a letter of support in place. Group R&D spend has increased after allowing for the longer period, demonstrating the group's commitment to continually improving its products.

Principal risks and uncertainties

The principal risks and uncertainties which are directly or indirectly common to the Group and the Company:

Economic, political and market conditions can adversely affect our business, results of operations and financial condition, including our revenue growth and profitability.

Our business is influenced by a range of factors that are beyond our control and that we have no comparative advantage in forecasting. These include:

- general economic and business conditions;
- the overall demand for enterprise software, hardware systems and services;
- governmental budgetary constraints or shifts in government spending priorities;
- general political developments; and
- currency exchange rate fluctuations.

Macroeconomic developments could negatively affect our business, operating results or financial condition. For example, the increasing inflationary pressures as a result of disrupted supply chains following the global response to Covid-19, the high levels of borrowing during the pandemic and the war in Ukraine. Additionally, further changes as a result of the UK having left the European Union may increase legal and regulatory complexities. A general weakening of, and related declining corporate confidence in, the global economy or the curtailment in corporate spending could cause current or potential customers to reduce their information technology budgets, which could cause customers to delay, decrease or cancel purchases of our products and services or cause customers not to pay us or to delay payment.

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Strategic report for the year ended 31 December 2021 (continued)

Principal risks and uncertainties (continued)

We face large, established competitors, specialised competitors and substantial price competition.

The nature of the IT industry creates a competitive landscape that is constantly evolving as firms emerge, expand or are acquired, as technology evolves and as delivery models change. In particular, we compete with Oracle, SAP and other larger software companies that have advantages over us due to their larger customer bases, greater name recognition, long operating and product development history, greater international presence and substantially greater marketing resources. If customers or prospects want to reduce the number of their software vendors, they may elect to purchase competing products from Oracle or SAP since those larger vendors offer a wider range of products. Furthermore, Oracle is capable of bundling its software with its database applications, which underlie a significant portion of our installed applications. We also compete with a variety of more specialised software and services vendors.

Our revenue is heavily dependent on renewal of maintenance agreements by our customers.

We generate substantial recurring revenue from our customer support program and other software maintenance services, most of which renew annually at the customer's option. The level of our maintenance revenue is directly related to the number of our software products that are in active use by customers. If our customers stop using our products, if we are unable to maintain the rate of addition of new customers, or if our customers determine that they cannot afford maintenance, our maintenance revenue can be expected to decline.

Our revenue is also dependent on renewal of subscription agreements by our customers.

We generate substantial recurring revenue from our CloudSuite and other SaaS subscription offerings, which generally renew annually once the initial term expires. Our customers have no obligation to renew their subscription agreements after their subscription terms expire, and they may not renew their subscriptions at the same or higher levels. Our subscription renewal rates may fluctuate because of several factors, including our customers' level of satisfaction with our services; the pricing of our subscription offerings and/or the pricing of our competitors' offerings, reductions in our customers' spending levels due to the macroeconomic environment, or other factors. If our customers do not renew their subscription agreements, renew on less favourable terms, or renew for fewer elements of our offerings, our subscriptions revenues may decline over time.

We may not retain or attract customers if we do not develop new products and enhance our current products in response to technological changes and competing products.

The enterprise software market is faced with rapid technological change, evolving standards in computer hardware, software development, communications and security infrastructure, and changing needs and expectations of customers. Building new products and service offerings requires significant investment in development. A substantial portion of the Group's research and development resources are devoted to regulatory and maintenance requirements and product upgrades that address new technology support. These demands put significant constraints on our resources available for new product development. We also face uncertainty when we develop or acquire new products because there is no assurance that a sufficient market will develop for those products.

If we are unable to attract appropriate qualified personnel, we will be unable to develop new products and increase our revenue and profitability.

In the software industry, there is substantial and continuous competition for account executives, product development, technical, financial and other personnel. The failure to attract and retain account executives will negatively impact our revenue growth and increases costs to attract new employees. We also rely on the continued service of our senior management, software developers, services consultants, finance and accounting specialists, and other key employees. The failure to attract, train, retain and effectively manage employees could negatively impact our development and efforts and cause a degradation of our customer service.

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Strategic report for the year ended 31 December 2021 (continued)

Directors' duties – compliance with section 172 of the Companies Act 2006

The company applies Market Based Management® (MBM®), in accordance with the expectations of the company's ultimate parent undertaking, Koch Industries Incorporated. MBM® is a management philosophy that enables organisations to succeed long-term by applying the principles that allow free societies to prosper.

Application of MDM® ensures all strategic decisions made by the company are taken for the long-term success of the company for the benefit of its members, taking into account the key concerns of each of its stakeholder groups. The decision-making process adopted by the Directors of the company includes consideration of risks and consequences that are likely to result from the decision and that could impact key stakeholders.

The directors recognise that discharging their duty under s172 of the Companies Act 2009 extends beyond how decisions are taken by each of them. In addition to the requirement to give appropriate weight to stakeholder factors and other relevant inputs in their decision making, a central feature of the MBM® approach requires that all such factors should be taken into account by the directors in discharging their responsibilities in setting the strategy of the company, in developing policies of engagement with stakeholders and maintaining a corporate culture throughout the company that ensures such principles are observed in every decision taken by every employee. Every employee is accountable for cultivating, protecting and exemplifying the MBM® culture. The shared values allow the company to maintain a reputation for high standards of business conduct, integrity and a principled approach to entrepreneurship.

Risk management

The directors regard a well-governed business as essential for the successful delivery of its principal activities. Please refer to the strategy and our discussion of principal risks above.

Employees

Employees are critical to the long-term success of the company. The company offers a range of methods to engage employees and maintain open communications. The group issues a monthly employee newsletter, weekly product update emails, annual employee engagement survey, periodic HR newsletters and customer success stories as well as social media feeds and an internal intranet. All employees have the opportunity to become involved in a number of employee engagement programmes including Infor's Professional Development Programme, Women's Infor Network and Infor University. All employees are aware of the financial and economic performance of the Group as a whole through the provision of regular presentations, at both a global and regional level.

Customers and partners

We have extensive engagement with our customers, with user groups and customer events like Inforum and Infor Inspire and providing initiatives like Infor Concierge whereby customers can find support, product enhancements and information on product-specific education and webinars.

Our partner strategy is directed by group management and we use partner organisations across our business. Infor is committed to growing these partnerships with technology partners, channel partners and global system integrators. Examples of this are the Infor Partner Network, Inforum and TechEd.

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Strategic report for the year ended 31 December 2021 (continued)

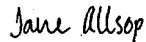
Directors' duties – compliance with section 172 of the Companies Act 2006 (continued)

Community and the Environment

Infor is a software provider and its products have limited environmental impact or waste. Infor abides by national regulations for office environments as specified by legal requirements and encourages employees to adopt practices that minimise their environmental impact, like reducing printing, promoting recycling, providing video and virtual communication technologies to minimise unnecessary travel and also allows remote working where job roles allow to reduce office space requirements and travel to reduce our carbon footprint.

Infor strives to give back to the local communities where our employees live and work. We support a variety of important causes and organisations, establishing a community engagement site programme which has 3 focus areas; to develop future generations of talent, particularly in Science, Technology, Engineering and Mathematics ("STEM") and STEM related fields, improve the quality of life of people in our local communities and support communities impacted by disasters. Infor also offers employees a day in addition to annual leave allowances to support not for profit organisations in local communities and has a strategic partnership with The Princes Trust.

On behalf of the Board



J Allsop
Director
1 July 2022

Infor (United Kingdom) Limited
Registered no: 2766416

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Directors' report for the year ended 31 December 2021

The directors present their report and the audited financial statements of the company for the year ended 31 December 2021.

Matters covered in the strategic report

Details of the principal activity, review of business, key performance indicators and principal risks have been disclosed in the strategic report on page 2.

Directors

The directors who held office during the year and up until the date of signing these financial statements are given below:

J B Kasper
G Czasznicki (resigned 31 December 2021)
J Allsop
T Holloway (appointed 31 December 2021)

Qualifying third party indemnity provisions

For the full year and up to the date of signing, the company has provided an indemnity and the secretary, which is a qualifying third-party indemnity provision for the purposes of the Companies Act 2006.

Recommended dividend

The directors do not recommend the payment of a dividend for the financial year (8 months ended 31 December 2020: £nil).

Future developments

Although the company's statutory loss for the year has improved it has benefitted from a gain on sale in the year. The gross margin has improved slightly and the company has increased its sales force to increase revenue in future periods and that the prospects for the future are good. The directors continue to monitor the ongoing war in Ukraine and other world events. Due to the company providing solutions often considered critical to our customers and their business, the directors do not expect a material impact of these events on the company's business.

Financial risk management

The company is exposed to foreign exchange rate risk, interest rate risk, liquidity and cash flow risk, which are managed centrally by the Group's overall Treasury department although undertakes no hedging activities itself.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Infor (United Kingdom) Limited
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Directors' report for the year ended 31 December 2021 (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Going concern

The directors have considered the group's strategy and, based on the responses to their enquiries, the directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. The directors have received a letter confirming financial support from Infor (US), Inc., which will enable the company to meet its liabilities as they fall due for the next 12 months from the date of signing these financial statements. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Given the current economic pressures as a result of disrupted supply chains following the global response to Covid-19 and the war in Ukraine the directors have considered the impact if future trading results do not meet projections. Should results fall short of projections, the directors have identified a number of mitigating actions and plans to access financial support from the parent company that could be instigated to enable the company to continue to meet its obligations as they fall due for the foreseeable future. The directors consider that the Infor group is sufficiently resilient to the impact of current events that they will be able to provide the necessary financial support if required. Furthermore, the parent company has also confirmed that it will provide support, where necessary, to all group companies to ensure they can settle intercompany payable balances in full when required to do so.

Employees

The company offers a range of methods to engage employees and maintain open communications. The group issues a monthly employee newsletter, weekly product update emails, annual employee engagement survey, periodic HR newsletters and customer success stories as well as social media feeds and an internal intranet. All employees have the opportunity to become involved in a number of employee engagement programmes including Infor's Professional Development Programme, Women's Infor Network and Infor University. Periodic presentations and all-hands calls with senior executives are held providing updates on company, its strategy and financial metrics. Now as part of the Koch Industries, Inc., group Infor colleagues are embracing Koch's Market-Based Management philosophy which focuses on creating value for society and giving individuals the tools to thrive and maximise their potential.

The company's aim is to recruit, train and promote the best person for the job, to make full use of the talents and resources of all our employees and to create a working environment free from unlawful discrimination, victimisation and harassment in which all employees are treated with dignity and respect, regardless of colour, race, nationality, ethnic origin, caste, sex, marital status, disability, part-time or fixed term status, parental responsibilities, age, religion/belief, gender reassignment, pregnancy and maternity or sexual orientation. The company is responsive to the needs of its employees. As such, should any employee who becomes disabled whilst in employment will be given the full support of line managers and the Human Resources Department to continue in their own job where practicable (and having put in place any reasonable adjustments), or to move to an alternative job appropriate to his/her experience and abilities, if available.

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Directors' report for the year ended 31 December 2021 (continued)

Streamlined Energy and Carbon Reporting ("SECR")

Infor is a software provider and endeavours to minimise waste in the development and implementation of our software. At Infor we encourage our employees to minimise how their practices and operations negatively affect the environment and urges them to comply with applicable laws, regulations, and other environmentally oriented requirements in their daily work habits and practices. Infor promotes remote work environments for much of its work force. As well, even though our business model requires an extensive set of office structures throughout the world, most of these facilities are utilized by a limited number of people and as a consequence, the footprint of each is greatly reduced.

During the year emissions have increased as employees return to offices and travel has increased following Covid-19. The company continues to promote the use of virtual communication tools to reduce the need for employee travel.

	Year ended 31 December 2021	8 months ended 31 December 2020
UK energy use (kWh)	753,407	378,811
Associated Greenhouse gas emissions (tonnes CO ² equivalent)	172.2	87.4
Scope 2 emissions	138.8	79.8
Reportable scope 3 emissions	33.4	7.6
Intensity ratio (annualised emissions per employee)	0.32	0.25

UK energy use covers the purchased electricity for leased offices and business mileage in private cars. Associated Greenhouse gases have been converted using UK government GHG conversion factors for company reporting which are based on the Greenhouse Gas Protocol Corporate Standard.

Independent auditors

Pursuant to section 487(2) of the Companies Act 2006, the company has elected to dispense with the obligation to appoint auditors annually and Grant Thornton UK LLP will remain in office until revoked or superseded by a further resolution.

On behalf of the Board

Jane Allsop

J Allsop
Director
1 July 2022

Independent auditor's report to the members of Infor (United Kingdom) Limited

Opinion

We have audited the financial statements of Infor (United Kingdom) Limited (the 'company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the 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 their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macroeconomic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Independent auditor's report to the members of Infor (United Kingdom) Limited¹¹ (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report to the members of Infor (United Kingdom) Limited¹² (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates through our general commercial and sector experience, discussions with management and review of board minutes. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements such as health and safety and employee matters.
- We enquired of management concerning the company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members including the potential for fraud in revenue recognition. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenge assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular journal entries posted with unusual account combinations that increased revenues or that reduced costs in the statement of comprehensive income; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and
- understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation and the applicable statutory provision.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud.

Independent auditor's report to the members of Infor (United Kingdom) Limited¹³
(continued)

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.

Grant Thornton UK LLP

Matthew Buckingham BSc ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 1/7/2022

Infor (United Kingdom) Limited

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Profit and loss account for the year ended 31 December 2021

		Year ended 31 December 2021	8 months ended 31 December 2020
	Note	Total £'000	Total £'000
Turnover	5	144,136	93,832
Cost of sales		(112,260)	(73,610)
Gross profit		31,876	20,222
Distribution costs		(28,224)	(15,248)
Total administrative expenses		(16,187)	(14,022)
Administrative expenses		(13,491)	(12,215)
Amortisation of intangibles		(2,696)	(1,807)
Other operating income		7,205	6,309
Operating loss	6	(5,330)	(2,739)
Loss on sale of fixed assets		(2)	(17)
Gain on disposal of business	8	7,758	-
Amounts written off investments	14	(1,339)	-
Interest receivable and similar income	9	1,270	866
Interest payable and similar charges	10	(3,586)	(2,882)
Loss before taxation		(1,229)	(4,772)
Tax credit	11	664	353
Loss for the financial year/period attributable to the owners of the parent		(565)	(4,419)

All activities are derived from continuing operations.

Statement of comprehensive income for the year ended 31 December 2021

	Year ended 31 December 2021	8 months ended 31 December 2020
	Total £'000	Total £'000
Loss for the financial year/period being total comprehensive expense for the year/period attributable to the owners of the parent	(565)	(4,419)

The notes on pages 17 to 31 are an integral part of these financial statements.

Infor (United Kingdom) Limited
Registered no: 2766416

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Balance sheet as at 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 £'000
Intangible assets	12	2,216	4,912
Tangible assets	13	4,969	5,555
Investments	14	12	1,350
Fixed assets		7,197	11,817
Debtors: amounts falling due after more than one year	15	46,180	41,915
Debtors: amounts falling due within one year	15	65,832	73,545
Cash at bank and in hand		22,876	10,569
Current assets		134,888	126,029
Creditors: Amounts falling due within one year	16	(153,401)	(144,506)
Net current liabilities		(18,513)	(18,477)
Total assets less current liabilities		(11,316)	(6,660)
Creditors: Amounts falling due after more than one year	17	(49,629)	(53,296)
Provisions for liabilities	18	(1,162)	(1,586)
Net liabilities		(62,107)	(61,542)
Capital and reserves			
Called up share capital	20	2	2
Profit and loss account		(62,109)	(61,544)
Total equity		(62,407)	(61,542)

The notes on pages 17 to 31 are an integral part of these financial statements.

The financial statements on pages 14 to 31 were approved by the board of directors on 1 July 2022 and were signed on its behalf by:

Jane Allsop

J Allsop
Director

Infor (United Kingdom) Limited

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Statement of changes in equity for the year ended 31 December 2021

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance as at 1 May 2020	2	(57,125)	(57,123)
Loss for the financial period being total comprehensive expense for the period	-	(4,419)	(4,419)
Balance as at 31 December 2020	2	(61,544)	(61,542)
Loss for the financial year being total comprehensive expense for the year	-	(565)	(565)
Balance as at 31 December 2021	2	(62,109)	(62,107)

The notes on pages 17 to 31 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2021**1) General information**

Infor (United Kingdom) Limited markets, sells, implements and supports enterprise business software applications, primarily to large and medium-sized enterprises across a range of industries.

The company is a private company limited by shares and is incorporated and domiciled in England and Wales under registered number 2766416. The address of its registered office is One Central Boulevard, Blythe Valley Park, Shirley, Solihull, West Midlands, B90 8BG.

2) Statement of compliance

The individual financial statements of Infor (United Kingdom) Limited have been prepared in compliance with United Kingdom Generally Accepted Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. There have been no significant changes to the financial statements as a result of the recent triennial review of FRS102 completed by the Financial Reporting Council.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention. Following the company's acquisition by Koch Industries, Inc., in the prior financial year, the company shortened its year end to 31 December to align with the ultimate parent company. Therefore, the comparative numbers presented are not directly comparable, being 8 months long and the current year consisting of 12 months.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The directors have considered the group's strategy and, based on the responses to their enquiries, the directors, at the time of approving the financial statements, have determined that there is reasonable expectation that the company has adequate resources to continue operating for the foreseeable future. The directors have received a letter confirming financial support from Infor (US), Inc., which will enable the company to meet its liabilities as they fall due for the next 12 months from the date of signing these financial statements. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Given the current economic pressures as a result of disrupted supply chains following the global response to Covid-19 and the war in Ukraine the directors have considered the impact if future trading results do not meet projections. Should results fall short of projections, the directors have identified a number of mitigating actions and plans to access financial support from the parent company that could be instigated to enable the company to continue to meet its obligations as they fall due for the foreseeable future. The directors consider that the Infor group is sufficiently resilient to the impact of current events that they will be able to provide the necessary financial support if required. Furthermore, the parent company has also confirmed that it will provide support, where necessary, to all group companies to ensure they can settle intercompany payable balances in full when required to do so.

Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

3) Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the following exemptions:

- (i) a reconciliation of the number of shares outstanding at the beginning and end of the period. [FRS 102 para 4.12(a)(iv)];
- (ii) the requirement to prepare a statement of cash flows. [Section 7 of FRS 102 and para 3.17(d)];
- (iii) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated. [FRS 102 paras 11.39 – 11.48A, 12.26 – 12.29]; and
- (iv) the non-disclosure of key management personnel compensation in total. [FRS102 para 33.7].

These exemptions are taken on the basis equivalent disclosures have been made in the group financial statements of Infor, Inc., in which the company's results and cash flows have been consolidated. The consolidated financials can be obtained from the offices detailed in note 22.

Related party transactions

The company is a wholly owned subsidiary of Infor, Inc., and is included in the consolidated financial statements of Infor, Inc., which is incorporated in the State of Delaware in the United States of America and these financial statements are publicly available. Consequently, the company has taken advantage of the exemption from disclosing related party transactions with entities that are part of the Infor, Inc., group and there are no other related party transactions.

Consolidated financial statements

The company is a wholly owned subsidiary of Infor, Inc., a company incorporated in the State of Delaware in the United States of America. It is included by full consolidation in the consolidated financial statements of Infor, Inc., which are publicly available. Therefore, the company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements are the company's separate financial statements.

Foreign currencies

The company's functional and presentational currency is the pound sterling. 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. 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 profit and loss account.

Revenue

Revenue is measured as the fair value of the consideration we expect to be entitled to, in exchange for transferring products or providing services to our customers and is recognised when the significant risks and rewards are transferred to the customer.

We account for contracts with our customers when both parties have approved the contract and are committed to perform their respective obligations, each party's rights regarding products or services to be transferred are identified, payment terms are identified, the contract has commercial substance and collection of the consideration is probable. We utilise written contracts as the means to establish the terms and conditions by which our products, product updates and support and/or consulting services are sold to our customers.

Our revenues are generated primarily by providing access to our SaaS subscriptions, licensing our software, providing product updates and support related to our licensed products, and providing consulting services to our customers. Generally, revenue from software license sales is recognised upon delivery; revenues from SaaS subscriptions and product updates and support are recognised ratably over time; and revenues from consulting services are recognised as performed. Revenue is recorded net of applicable taxes. Our specific revenue recognition policies are as follows:

SaaS subscriptions

Our SaaS subscriptions revenues are primarily from granting customers the right to access software products through our cloud-based SaaS subscription offerings. Under a SaaS subscription agreement, our customer receives a right to access the software for a specified period of time in an environment hosted, supported, and

Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

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3) Summary of significant accounting policies (continued)

Revenue (continued)

maintained by Infor. The risks and rewards of our SaaS subscription services are transferred over time, and associated revenue is generally recognised ratably over the contract term once the software is made available to the customer. Our SaaS subscription offerings are typically sold with one to five-year subscription terms, generally invoiced in advance of each annual subscription period, and are non-cancellable during the committed subscription term.

Consulting services sold in conjunction with SaaS offerings such as implementation, configuration, customisation, training, and data conversion services are considered separate performance obligations. Consequently, they are recognised separately from the SaaS subscription agreement, and applicable revenue is typically recognised as the services are delivered. *See Contracts with Multiple Elements* below.

Software license fees

Our software license fees revenues are primarily from sales of perpetual software licenses, granting customers the license right to use our software products, with no expiration date. The risks and rewards of perpetual software licenses are satisfied at a point in time, and associated revenue is recognised upon transfer of control of the software (i.e. when the customer can access, use, and benefit from the software license).

Certain of our software products are offered as term-based license contracts, under which we grant customers the license right to use the software for a specified period. Term software licenses are satisfied at a point in time and associated revenue is recognised upon the later of 1) delivery of the software, or 2) the beginning of the period in which the customer has received the license right to use the software.

For customer contracts that include software license fees, implementation and/or other consulting services, the portion of the transaction price allocated to software licenses is generally recognised when delivered. The implementation and consulting services are typically distinct performance obligations and qualify for separate recognition. The portion of the transaction price allocated to implementation and other consulting services is generally recognised as such services are performed. *See Contracts with Multiple Elements* below.

Product updates and support fees

Product updates and support fees entitle the customer to receive, for an agreed upon period, unspecified product upgrades (when and if available), as well as support services including access to technical information and technical support staff. The maintenance period is typically twelve months and fees are recognised ratably over the term of the agreement. Agreements are typically invoiced annually in advance of the service period.

Consulting Services

We also provide consulting services, including systems implementation and integration services, consulting, training, and application managed services. Our consulting services are contracted for in conjunction with the licensing of our software products or SaaS subscription offerings and/or on a standalone basis. Most of our services are sold under specific software services agreement terms, and are priced separately from other promises, as they do not significantly customise or modify the software, are generally not essential to the functionality of our software products and are also available from third-party vendors and systems integrators.

The majority of our consulting services agreements are provided under time and materials contracts, and the related revenues are recognised over time as the services are provided.

Our fixed price service contracts are typically recognised on a proportional performance basis. For these fixed price projects, progress is measured based on labour hours performed to date relative to the total expected labour hours to complete the project. When it cannot be demonstrated that services meet the criteria for recognition over time, revenue from fixed price engagements is recognised only at points in time when the customer obtains control of promised products.

Consulting services and other fees also include hosting services. Customers who elect to host their software licenses by Infor have the contractual right to take possession of the software at any time during the hosted period. The customer has the right to choose not to renew hosting services upon its expiration and can deploy the software internally or contract with another party unrelated to Infor to host the software. The software provides standalone usage and functionality and, therefore, is not dependent upon the hosting service. Therefore, customers can self-host and any penalties to do so are insignificant. Accordingly, fees allocated to the hosting element are recognised once the service begins, separate from software licenses, and then ratably over the term of the hosting service.

Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

3) Summary of significant accounting policies (continued)

Revenue (continued)

Contracts with Multiple Elements

We also enter into contracts that may include a combination of our various products and services offerings including SaaS subscriptions, software licenses, product updates and support, consulting services, and hosting services. We account for individual elements separately if they are distinct, however, when we enter into arrangements with a fixed-fee or a maximum-fee basis or where services are considered essential to the functionality of the software, revenue is recognised based upon a percentage of completion method.

Deferred Revenues

Deferred revenues represent amounts billed or payments received from customers for software licenses, services and/or product updates and support in advance of recognising revenue or performing services. We defer revenues for any undelivered elements, and recognise revenues when the product is delivered or over the period in which the service is performed, in accordance with its revenue recognition policy for such elements.

Other operating income

The company manages the Infor Partner Network ("IPN") and our partners also sell Infor-owned products to end users. The company is compensated by the relevant product owning group companies at cost plus a mark-up of 5% (31 December 2020: 5%), for managing this relationship and providing training, support and enablement to our partners. The costs are included within cost of sales, distribution and administrative expenses and the income is included within other operating income.

Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Employees belong to the Infor Group Personal Pension Plan, a defined contribution scheme, 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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the scheme are held separately from those of the company in an independently administered fund.

The company operates an annual bonus plan for certain employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Share-based payments

In accordance with FRS102, the charge arising for share-based payments is recognised in the profit and loss account of the company, which employs those to whom share-based awards are granted. The corresponding credit is taken to liabilities as the awards are cash settled by the company.

The fair value of the share-based payments are estimated using an option-pricing model that incorporates assumptions relating to the number of options that will vest, share price volatility, dividend yield and expected life of the options.

Leases and lease incentives

The company has no finance leases. Rental income/(charges) receivable/(payable) under operating leases are taken to the profit and loss account on a straight-line basis over the term of the lease.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 June 2014) and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

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Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

3) Summary of significant accounting policies (continued)

Taxation (continued)

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

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.

Deferred tax

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date, except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Intangible fixed assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets acquired as part of an acquisition are not recognised where they arise from legal or other contractual rights, and where there is no history of exchange transactions.

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful economic life. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Customer relationships	8 years
Goodwill	5 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

The company has taken advantage of the exemption to not restate business combinations entered into before the transition to FRS102 (1 June 2014) and therefore any goodwill created on those business combinations will continue to be amortised over the useful economic life, without accounting for any associated intangibles.

Tangible fixed assets and depreciation

Fixed assets are included in the balance sheet at historical purchase cost less provision for impairment and accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on all property, plant and equipment, at rates calculated to write-off the cost, less their estimated residual values, of each asset on a systematic basis over their expected useful lives as follows:

Land & buildings	40 years
Leasehold improvements	period of the lease
Office equipment	3 to 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

3) Summary of significant accounting policies (continued)

Impairment of non-financial assets

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists the directors estimate the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

An impairment loss recognised is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply.

Investments

Investments in subsidiary companies and associates are held at historical purchase cost less accumulated impairment losses.

The directors decide each year whether there is an indicator of impairment. If there is, the company evaluates the carrying value of investments. When it is determined that the carrying value exceeds the recoverable amount, the impaired amount is written off to the profit and loss account.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4) Critical accounting judgements and estimation uncertainty

Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, the nature of estimation means that the actual outcomes could differ from those estimates.

Goodwill and intangible assets

The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Contracts using percentage of completion

The company establishes the estimated costs to complete for the fixed price consulting contracts accounted for by the percentage of completion method. This estimate is based on a variety of factors, including management expertise and experience on similar contracts and will impact upon the value of turnover recognised for those contracts.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Additionally, the company has considered the economic impact of Covid-19 on the ability of customers to pay and holds an additional provision for this, focussed on industries which have had a higher impact from the pandemic. See note 15 for the net carrying amount of the debtors and associated impairment provision.

Customer claims

By their nature are uncertain and the determination of whether any particular case involves a probable loss and quantifying the amount of loss for purposes of establishing or adjusting applicable provisions requires us to exercise considerable judgment, which is applied as of a certain date. The required provisions may change in the future due to new matters, developments in existing matters, or if we determine to change our strategy with respect to the resolution of any particular matter.

Infor (United Kingdom) Limited 23
Notes to the financial statements for the year ended 31 December 2021 (continued)

5) Turnover

Analysis of turnover by geography:

	Year ended 31 December 2021	8 months ended 31 December 2020
	£'000	£'000
UK	97,156	58,084
Rest of Europe	33,827	25,045
The rest of the world	13,153	10,703
Turnover	144,136	93,832

Analysis of turnover by category:

	Year ended 31 December 2021	8 months ended 31 December 2020
	Total	Total
	£'000	£'000
Software licence fees	5,897	4,570
SaaS subscriptions	31,280	16,792
Product updates and support fees	65,833	46,426
Consulting services	39,579	25,230
Other	1,547	814
Turnover	144,136	93,832

6) Operating loss

	Note	Year ended 31 December 2021	8 months ended 31 December 2020
		£'000	£'000
Operating loss is stated after charging/(crediting):			
Depreciation of tangible fixed assets – owned	13	947	732
Amortisation of intangible assets	12	2,696	1,807
Amounts written off investments	14	1,338	-
Foreign exchange (gains)/losses		(1,316)	2,829
Operating lease charges		1,309	1,447
Services provided by the company's auditors - fees payable for the audit		120	89

7) Directors, employee costs and numbers

	Year ended 31 December 2021	8 months ended 31 December 2020
	£'000	£'000
Wages and salaries	50,940	29,829
Social security costs	6,227	3,602
Other pension costs	1,881	1,186
Staff costs	59,048	34,617

The company makes payments to a personal defined contribution pension scheme. The pension cost charge represents the contributions payable by the company. At 31 December 2021 contributions of £nil (31 December 2020: £nil) were outstanding. Charges in respect of long-term incentive schemes are disclosed in note 21.

Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

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7) Directors, employee costs and numbers (continued)

The average monthly number of persons employed by the company during the year split by activity was:

By activity	Year ended 31 December 2021	8 months ended 31 December 2020
	No.	No.
Administration	54	53
Computer consultants	322	332
Sales and marketing	156	140
Development	1	-
	533	525

No (31 December 2020: none) directors have been remunerated by this company. For full year comparatives, all other directors are remunerated by fellow group companies since these directors are either officers or directors of other group companies. The services of these directors to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for either year.

No directors (31 December 2020: None) received management incentive units for their qualifying services under long-term incentive schemes. No director (31 December 2020: none) exercised share options during the financial year.

8) Gain on disposal of business

During the year the company sold its Enterprise Asset Management business ("EAM") for £5,895,000. The net liabilities of this business were £1,863,000 giving a profit on disposal of £7,758,000. The disposal did not qualify as discontinued operations under FRS102.

9) Interest receivable and similar income

	Year ended 31 December 2021	8 months ended 31 December 2020
	£'000	£'000
Bank interest	-	2
Interest from fellow group undertakings	1,270	864
Interest receivable and similar income	1,270	866

10) Interest payable and similar charges

	Year ended 31 December 2021	8 months ended 31 December 2020
	£'000	£'000
Intercompany loan interest	3,586	2,882
Interest payable and similar charges	3,586	2,882

Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

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11) Tax on loss

Current tax and deferred tax

	Year ended 31 December 2021 £'000	8 months ended 31 December 2020 £'000
Current tax	130	-
Deferred tax current year	(69)	62
Adjustment in respect of prior years	(339)	(415)
Change in rate	(386)	-
Total deferred tax credit	(794)	(353)
Total tax credit	(664)	(353)

Reconciliation of tax charge

The tax for the period is lower (8 months ended 31 December 2020: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2021 %	8 months ended 31 December 2020 %
Standard (nominal) tax rate	19.0	19.0
	Year ended 31 December 2021 £'000	8 months ended 31 December 2020 £'000
Loss before taxation	(1,229)	(4,772)
Tax on loss before taxation at the standard rate	(234)	(907)
Effects of:		
Expenses not deductible for tax purposes	516	190
Imputed interest	250	167
Group relief surrendered/(claimed) for nil consideration	(341)	612
Adjustment in respect of prior year deferred tax	(339)	(415)
Tax rate changes	(386)	-
Loss utilisation	(130)	-
Total tax credit for the year/period	(664)	(353)

Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

11) Tax on loss (continued)

Deferred tax liability

	Deferred tax asset/(liability) recognised		Full potential deferred tax asset/(liability)	
	31 December 2021 £'000	31 December 2020 £'000	31 December 2021 £'000	31 December 2020 £'000
Accelerated depreciation over capital allowances	1,413	1,054	793	1,055
Other timing differences	445	339	445	339
Tax losses carried forward	-	-	18,286	14,027
Deferred tax liability on business combination	(250)	(579)	(230)	-
	1,608	814	19,294	15,421
Recognised at start of year/period	814	461		
Deferred tax credit in profit and loss	794	353		
Net asset recognised at end of year/period	1,608	814		

In accordance with company accounting policy, the directors have recognised deferred tax assets to the extent that it is more likely than not that there will be sufficient taxable profits after available group relief in the foreseeable future, from which the reversal of the underlying timing differences can be deducted.

Factors that may affect future tax changes

In the 2021 Budget, the Chancellor announced an increase in the corporate tax rate from 19% to 25%, effective from 1 April 2023. The change in rate was substantively enacted in June 2021 and so the deferred tax balances in these financial statements reflect this change.

12) Intangible assets

	Customer relationships £'000	Goodwill £'000	Total £'000
Cost at 1 January 2021	18,754	39,103	57,857
Additions	-	-	-
Cost at 31 December 2021	18,754	39,103	57,857
Accumulated amortisation and impairment at 1 January 2021	15,464	37,481	52,945
Charge for the year	1,400	1,296	2,696
Accumulated amortisation and impairment at 31 December 2021	16,864	38,777	55,641
Net book value at 31 December 2021	1,890	326	2,216
Net book value at 31 December 2020	3,290	1,622	4,912

Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

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12) Intangible assets (continued)

The intangibles have been created through the following business combinations:

	Customer relationships £'000	Goodwill £'000
External acquisition of the trades of MIS UK Ltd, Lasata Software Ltd and RSL Business Solutions Ltd in December 2004	-	833
Internal re-organisation and acquisition of trades on 29 February 2012	-	8,609
Internal re-organisation and acquisition of trades on 1 June 2014	16,584	24,848
Acquisition of Saleslogix operations in September 2014	723	783
Internal re-organisation and acquisition of trades in 2018	1,185	4,009
Acquisition of contracts from group company in 2019	252	-
Acquisition of the trade of Predictix Limited in 2019	-	21
Acquisition of the contracts from InHowes 2020	10	-
Total cost	18,754	39,103

13) Tangible assets

	Land & buildings £'000	Leasehold improvements £'000	Office equipment £'000	Total £'000
Cost at 1 January 2021	2,257	3,259	4,522	10,038
Additions	14	89	315	418
Disposals	-	(289)	(669)	(958)
Cost at 31 December 2021	2,271	3,059	4,168	9,498
Accumulated depreciation at 1 January 2021	323	1,353	2,807	4,483
Charge for the year	60	272	615	947
On disposals	-	(289)	(612)	(901)
Accumulated depreciation at 31 December 2021	383	1,336	2,810	4,529
Net book value at 31 December 2021	1,888	1,723	1,358	4,969
Net book value at 31 December 2020	1,934	1,906	1,715	5,555

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Notes to the financial statements for the year ended 31 December 2021 (continued)

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14) Investments

	£'000
Cost as at 1 January 2021 and 31 December 2021	1,350
Cost as at 31 December 2021	1,350
Provisions as at 1 January 2021	-
Charged in the year	(1,338)
Provisions as at 31 December 2021	(1,338)
Net book value at 31 December 2021	12
Net book value at 31 December 2020	1,350

Interests in group undertakings at 31 December 2021

Name of undertaking	Country of incorporation	Proportion of ordinary equity share capital owned	Principal activity
Infor (Saudi Arabia) Ltd	Kingdom of Saudi Arabia	10	Consultancy
Infor Middle East FZ LLC	UAE	100	Distributor

The above companies, both directly owned, operate principally in their country of incorporation. Their registered addresses are as follows:

Saudi - C/O Norton Rose, Mawhiba – Olaya Main Street, P.O. Box 52681, Riyadh 11573, Kingdom of Saudi Arabia.

Infor Middle East FZ LLC – 4301A Dubai Business Central Towers, Dubai Media City, Dubai, UAE

In the opinion of the directors, the value of the above investments at 31 December 2021 was at least equal to the net book value (31 December 2020: equal).

15) Debtors

	31 December 2021	31 December 2020
	£'000	£'000
Amounts owed by group undertakings	38,656	40,522
Deferred tax asset	1,838	1,393
Prepayments and accrued income falling due after one year	5,686	-
Debtors: amounts falling due after more than one year	46,180	41,915
Trade debtors	18,395	22,928
Amounts owed by group undertakings	40,034	39,118
Prepayments and accrued income	7,403	11,499
Debtors: amounts falling due within one year	65,832	73,545

Amounts owed by group undertakings includes £38,656,000 (31 December 2020: £40,522,000) receivable after more than one year, the remainder repayable on demand. Amounts owed by group undertakings are unsecured, with £45,812,000 (31 December 2020: £45,812,000) earning interest at rates between LIBOR + 2.75% and LIBOR + 4.75% (31 December 2020: LIBOR + 2.75% and LIBOR + 4.75%).

Trade debtors are stated after provision for impairment of £590,000 (31 December 2020: £2,646,000).

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Notes to the financial statements for the year ended 31 December 2021 (continued)

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16) Creditors: Amounts falling due within one year

	31 December 2021 £'000	31 December 2020 £'000
Trade creditors	1,772	2,270
Amounts owed to group undertakings	80,328	64,543
Other taxation and social security	7,919	10,248
Accruals and deferred income	63,382	67,445
Creditors: Amounts due within one year	153,401	144,506

Amounts owed to group undertakings are unsecured and are repayable on demand. Interest is charged on these balances between LIBOR + 3.65% and LIBOR + 6.38% (31 December 2020: between LIBOR + 3.65% and LIBOR + 6.38%) on an amount of £26,522,000 (31 December 2020: £53,475,000), the remainder being interest free.

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

	31 December 2021 £'000	31 December 2020 £'000
Amounts owed to group undertakings	47,460	49,804
Accruals and deferred income	2,169	3,492
Creditors: amounts due after more than one year	49,629	53,296

Amounts owed to group undertakings are unsecured and are repayable on dates to 30 April 2030 (31 December 2020: repayable on dates to 30 April 2030). Interest is charged at rates of between LIBOR + 3.3% and LIBOR + 4.5% (31 December 2020: LIBOR + 3.3% and LIBOR + 4.5%). For amounts due after more than five years the date specified is the latest due date for the respective loans and there are no instalment payments required for these loans.

18) Provisions for liabilities

	Premises £'000	Deferred tax provision £'000	Total £'000
At 1 January 2021	1,007	579	1,586
Credited to the profit and loss account	(75)	(349)	(424)
At 31 December 2021	932	230	1,162

Premises

The premises provision relates to dilapidations on four properties. It has been calculated using an estimated cost per square foot. The provision will be utilised in meeting obligations prior to the lease expiry dates which fall due between May 2026 and September 2032.

Deferred tax

The provision for deferred tax was created on a business combination. The deferred tax liability expected to reverse in the year to 31 December 2022 is £230,000, in line with the amortisation on the related intangible asset.

Infor (United Kingdom) Limited
Notes to the financial statements for the year ended 31 December 2021 (continued)

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19) Commitments under operating leases

At 31 December the company had the following future minimum lease payments under non-cancellable operating leases as set out below.

	31 December 2021 £'000	31 December 2020 £'000
Operating leases which expire:		
Within one year	1,536	1,192
Between one and five years	5,667	3,126
Over five years	4,211	4,760
Operating lease commitments	11,414	9,078

20) Called up share capital

	31 December 2021 £'000	31 December 2020 £'000
Authorised		
1,000 (31 December 2020: 1,000) ordinary shares of £1 (31 December 2020: £1) each	1	1
1,000 (31 December 2020: 1,000) "A" ordinary shares of £1 (31 December 2020: £1) each	1	1
Authorised share capital	2	2
Allotted and fully paid	2	2

Class 'A' ordinary shares have no voting rights. In all other respects they rank pari passu with the ordinary shares and neither class of share is subject to any restrictions on the distribution of dividends or repayment of capital.

21) Share based payments

The group headed by IGS Holding LP, a limited partnership registered in the United States of America, operates a phantom share option scheme, of which employees of the company participate.

In fiscal 2018, IGS Holding LP granted Management Incentive Units ("MIUs") to certain executive officers and non-executive employees of Infor, pursuant to the IGS LP Agreement and certain MIU agreements. These MIUs are for Class D non-voting units (IGS Class D Units) and vest over four years.

Pursuant to the IGS Holding LP Agreement, holders of the IGS Class D Units are entitled to participate in distributions from IGS Holding to the extent such distributions are in excess of specified incentive hurdles, each of which is in excess of the total equity value on the date of issuance.

Further, each holder of IGS Class D Units is entitled to put these units to IGS Holding LP for cash settlement as follows:

- On each of July 1, 2022 and July 1, 2023, each non-executive employee may put 25% of the IGS Class D Units held by him or her.

The settlement price for such units will be equal to the fair market value as of each respective settlement date.

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Notes to the financial statements for the year ended 31 December 2021 (continued)**21) Share based payments (continued)**

Upon the termination of a IGS Class D Unit holder's employment with Infor for any reason: (a) all unvested IGS Class D Units held as of the termination date shall expire and be immediately forfeited and cancelled in their entirety; and (b) all vested IGS Class D Units held will be subject to repurchase by IGS Holding LP.

The following table summarizes IGS Class D MIU activity for the period ended 31 December 2021:

	Weighted average exercise price (US\$)	Number of MIUs
Class D MIU outstanding at 1 January 2021	0.000	4,877,708
Forfeited	0.000	(4,281,614)
Outstanding at 31 December 2021	0.000	596,094
Exercisable at 31 December 2021	0.000	-

The amounts recorded in the financial statements for the year ended 31 December 2021 in respect of cash settled share options were as follows:

	Year ended 31 December 2021	8 months ended 31 December 2020
	£'000	£'000
Fair value of carrying amount for the balance sheet liability	(918)	(1,602)
Cash settled share-based payments expense in the profit and loss	1,085	510

22) Controlling parties

The immediate parent undertaking is Systems Union Group Limited, a company incorporated in England and Wales.

The ultimate parent is Koch Industries, Inc., a Corporation registered in the United States of America in which C G Koch and J F Koch have a controlling interest. The group financial statements are not available to the public.

Infor, Inc., a company incorporated in the United States of America, is the parent undertaking of the smallest group to consolidate these financial statements. Those financial statements can be obtained from our offices at 641 Avenue of the Americas, 4th Floor, New York, NY 10011, United States of America.

23) Post balance sheet event

Subsequent to the year end, the company has injected £12 million in new capital to its subsidiary in the United Arab Emirates. This is a non-adjusting event.