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Caplin Systems Limited - 02823818

Annual report and financial statements for the financial year ended 31 December 2021

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended 31 December 2021

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COMPANY INFORMATION

DIRECTORS	J Ashworth S South S Veasey
REGISTERED OFFICE	c/o Ion 10 Queen Street Place, London, EC4R 1BE, UK.
REGISTERED NUMBER OF INCORPORATION	02823818
INDEPENDENT AUDITORS	PricewaterhouseCoopers One Spencer Dock, North Wall Quay, Dublin 1 Ireland

STRATEGIC REPORT
for the financial year ended 31 December 2021

The Directors present their Strategic Report on Caplin Systems Limited (the "Company") for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS
The principal activity of the Company continued to be that of the creation and marketing of computer software and services for online trading of financial instruments.

Highlights
During the year to 31 December 2021:

- We continued to provide an increasingly broad range of e-distribution solutions, including foreign exchange trading, options trading, structured products trading, equities trading and wealth management.
- We continued to expand our customer base with significant sales to customers in Europe, South East Asia and the United States of America.

Financial Performance Indicators
The Company's key measures of financial performance are Revenue, Operating Loss and Loss after Taxation.

	2021	2020	Change
Revenue	£7.4m	£6.6m	£0.8m
Operating loss	(£0.4m)	(£1.2m)	£0.8m
Profit / (loss) after taxation	£0.2m	(£0.6m)	£0.8m
Cash and bank balances	£1.3m	£1.8m	(£0.5m)

The Company continued to grow revenue and annual recurring customer contract values. As well as cost reductions being made compared to the prior year leading to an increase in profits.

Investment in our products and solutions continued throughout the year reducing customers' time to market and associated cost of building single-dealer platforms. Development cost additions in this year are £2,166k versus £1,777k in prior year.

Outlook
The nature of the Company's trading activities, with a high level of stable and annually recurring receipts, gives the Directors confidence that the Company will not be significantly impacted by the Covid-19 pandemic. The Company's products are generally licensed under multi-year contracts and are fully integrated into customers' trading infrastructure. This gives the Company protection against the short to medium term economic impact of the pandemic. Demand of the Company's products, such as mobile trading solutions, are expected to increase as financial institutions consider the longer term impact on their trading systems.

The Company continues to see demand for its products resulting from:

- An increased willingness on the part of banks to buy rather than build software.
- The growing popularity of single-dealer platforms, particularly in the foreign exchange market.
- The increase in our global presence.
- Distribution opportunities arising from our partner companies.
- An accelerated move to automation in our clients' sales functions.

STRATEGIC REPORT
for the financial year ended 31 December 2021 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties which the Company face are:

- The market for the development and implementation of single-dealer platforms is increasingly competitive, and some competitors may have greater technical and financial resources than the Company;
- The Company has a limited number of large customers in the financial services industry. The collapse of one of these could have a significant impact on the profitability of the Company;
- New regulations such as the Dodd Frank law in the US and MiFID/MiFIR in the EU may affect the Company's customers' activities, making the Company's proposition less attractive;
- Rapid evolution of software technology may render the Company's solution less attractive; and
- The Company's reputation and growth prospects would be at risk if poor quality products were released.

The Company has insurances, business policies and organisational structures to limit these risks and uncertainties. The Board of Directors and management regularly review, reassess and proactively limit the associated risks.

On behalf of the Directors

John Ashworth
Director
Date: 31st August 2022

DIRECTORS' REPORT
for the financial year ended 31 December 2021

The Directors present herewith their report and audited financial statements ("financial statements") for the Company for the financial year ended 31 December 2021.

DIRECTORS AND THEIR INTERESTS
The names of the Directors who served at any time during the financial year are as listed below.

J Ashworth
S South
S Veasey

None of the Directors, nor the secretary of the Company, including their spouses and minor children had a direct interest in the share capital of the Company at year end.

RESEARCH AND DEVELOPMENT
The Company carries out significant research and development, updating and maintaining a technology road map which identifies in detail the new products and product enhancements which will be developed in the next financial year. The Company capitalises research and development in line with our accounting policy as set out in note 1 (d).

EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE
There are no significant events since the statement of financial position date.

DISCLOSURE OF INFORMATION TO THE AUDITOR
So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow Directors and the Company's auditors, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

DIRECTORS' REPORT
for the financial year ended 31 December 2021 (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT
The Directors are responsible for preparing the Directors' 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 101 'Reduced Disclosure Framework', and applicable law).

- Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;;
- make judgements and 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. 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..

GOING CONCERN
The nature of the Company's trading activities, with a high level of stable and annually recurring receipts, gives the Directors confidence that the Company has not been significantly impacted by the Covid-19 pandemic.

Given the recent financial performance of the Company, the Directors have reviewed the future plans for the business and associated cash flow projections, ensuring that adequate funding is available to support the ongoing trading operations of the Company. This review has considered the following points:

- Due to the Company's annual billing cycle, with the majority of the Company's annually recurring revenue invoiced in October, the Company's cash reserves are typically at a lower than average level during the fourth quarter of a given year.
- The Company is reliant on an unsecured overdraft facility to provide immediate liquidity through to December 2022. This overdraft facility is unsecured and subject to regular bank review, the first such review being in December 2022.
- The Company has received confirmation from its parent that it will not seek repayment of the intercompany liability that is payable.

DIRECTORS' REPORT
for the financial year ended 31 December 2021 (continued)

- Cash flow projections for 2022 show that the Company has sufficient liquidity to support normal trading operations.
- Projections for 2023 show the Company would require additional liquidity which would be received from another unsecured overdraft facility.

The Directors are therefore satisfied that the Company can continue to prepare the financial statements on a going concern basis.

INDEPENDENT AUDITORS
PricewaterhouseCoopers have indicated their willingness to be reappointed for another term.

The Directors disposed with the requirement to hold an Annual General Meeting and to appoint auditors annually as the Company is a wholly owned subsidiary.

On behalf of the Directors

John Ashworth
Director
Date: 31st August 2022

pwc

Independent auditors' report to the members of Caplin Systems Limited

Report on the audit of the financial statements

Opinion

In our opinion, Caplin Systems Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

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

- Consideration of fraud risk as part of our audit planning process;
- Discussions with management and those charged with governance, in respect of risk of fraud and any known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of the company's programs and controls designed to address fraud risk and compliance with laws and regulations;
- Implementing specific procedures to address risks associated with the management override of controls, including examination of journal entries and other adjustments, testing of accounting estimates, identifying indicators of possible management bias and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Fiona Kirwan

Fiona Kirwan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
26 September 2022

STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2021

	Note	Year Ended 31 Dec 2021 £	Year Ended 31 Dec 2020 £
Revenue	2	7,449,797	6,616,538
General and administrative expenses		(7,808,541)	(7,735,261)
Operating loss	3	(358,744)	(1,118,723)
Interest receivable and similar income	7	19,517	19,572
Finance costs and similar charges	8	(63,566)	(95,947)
Loss before taxation		(402,793)	(1,195,098)
Tax credit on loss	9	571,540	606,181
Profit/(loss) for the financial year		168,747	(588,917)
Other comprehensive income		-	-
Total comprehensive income/(expense)		168,747	(588,917)

STATEMENT OF FINANCIAL POSITION
at 31 December 2021

	Note	*As at 31 Dec 2021* £	*As at 31Dec 2020* £
FIXED ASSETS			
Intangible assets	10	2,041,449	2,042,176
Tangible assets	11	545,394	836,374
		2,586,843	2,878,550
CURRENT ASSETS			
Debtors – amounts falling due within one year	13	6,196,085	5,164,227
Cash at bank and in hand		1,260,527	1,762,008
		7,456,612	6,926,235
Creditors - amounts falling due within one year	14	(10,615,238)	(10,083,835)
NET CURRENT LIABILITIES		(3,158,626)	(3,157,600)
Creditors - amounts falling due after one year	12&15	(135,537)	(597,017)
NET LIABILITIES		(707,320)	(876,067)
CAPITAL AND RESERVES			
Called up share capital presented as equity	16	100,000	100,000
Retained losses		(807,320)	(976,067)
SHAREHOLDERS' DEFICIT		(707,320)	(876,067)

The notes on pages 15-35 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 31st August 2022. They were signed on the Company's behalf by:

John Ashworth

Director

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2021

	Called up share capital	*Retained losses*	*Total equity*
	£	£	£
Balance as at 1 January 2020	100,000	(387,150)	(287,150)
Loss for the financial year	-	(588,917)	(588,917)
Total comprehensive loss for the financial year	-	(588,917)	(588,917)
Balance at 31 December 2020	100,000	(976,067)	(876,067)
Profit for the financial year	-	168,747	168,747
Total comprehensive income for the financial year	-	168,747	168,747
Balance at 31 December 2021	100,000	(807,320)	(707,320)

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021

1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standards 101 *'Reduced Disclosure Framework'* ("FRS 101"). The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(c).

(b) Exemptions utilised under FRS 101

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 *'Financial Instruments: Disclosures'* ("IFRS 7");
- Paragraph 38 of IAS 1 *'Presentation of financial statements'* ("IAS 1") comparative information requirements in respect of:
  i. paragraph 79(a)(iv) of IAS 1;
  ii. paragraph 73(e) of IAS 16 *'Property, plant and equipment'* ("IAS 16");
- The following paragraphs of IAS 1:
  i. 10(d), (statement of cash flows);
  ii. 10(f) (a statement of financial position as at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  iii. 16 (statement of compliance with all IFRS);
  iv. 38A (requirement for minimum of two primary statements, including cash flow statements);
  v. 38B-D (additional comparative information);
     40A-D (requirements for a third statement of financial position);
  vi. 111 (cash flow statement information); and
  vii. 134-136 (capital management disclosures).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

(b) Exemptions utilised under FRS 101 (continued)

- IAS 7 *'Statement of cash flows'* ("IAS 7");
- Paragraph 30 and 31 of IAS 8 *'Accounting policies, changes in accounting estimates and errors'* ("IAS 8") (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective Paragraph 17 of IAS 24 *'Related party disclosures'* ("IAS 24") (key management compensation);
- The requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group; and
- Paragraphs 130(f)(ii), 130(f)(iii), 123(d) to 134(f) and 135(c) to 135(e) of IAS 36 *'Impairment of assets'* ("IAS 36").
- IFRS 15 ' Revenue from contracts with customers' (IFRS 15")
- The requirements in IFRS 15 states that a qualifying entity is exempt from many of the disclosure requirements of IFRS 15, including:
    - I. qualitative and quantitative information to assist users in understanding nature, amount, timing and uncertainty of revenue
    - II. disaggregation of revenue
    - III. information about the entity's performance obligations, transaction prices and any significant judgements.
    - IV. Information about the entity's electing to use the practical expedient for a significant financing component or incremental costs of obtaining a contract.

(c) Judgments and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

i. *Going Concern*:

The nature of the Company's trading activities, with a high level of stable and annually recurring receipts, gives the Directors confidence that the Company has not been significantly impacted by the Covid-19 pandemic.

Given the recent financial performance of the Company, the Directors have reviewed the future plans for the business and associated cash flow projections, ensuring that adequate funding is available to support the ongoing trading operations of the Company. This review has considered the following points:

- Due to the Company's annual billing cycle, with the majority of the Company's annually recurring revenue invoiced in October, the Company's cash reserves are typically at a lower than average level during the fourth quarter of a given year.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

(c) Judgments and key sources of estimation uncertainty (continued)

i. *Going Concern (continued)*

- The Company is reliant on an unsecured overdraft facility to provide immediate liquidity through to December 2022. This overdraft facility is unsecured and subject to regular bank review, the first such review being in December 2022.
- The Company has received confirmation from its parent that it will not seek repayment of the intercompany liability that is payable.
- Cash flow projections for 2022 show that the Group has sufficient liquidity to support normal trading operations.
- Projections for 2023 show the Company would require additional liquidity which would be received from another unsecured overdraft facility.

The Directors are therefore satisfied that the Company can continue to prepare the financial statements on a going concern basis.

ii. *Revenue recognition over time:*
As set out in note 1(n), revenue pursuant to time and material professional services contracts are recognised as the related performance obligation is performed, based on the actual service provided to the end of the reporting year as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours. Estimates are made over the total expected labour hours based on project managers' estimated and revised budgets, however circumstances may change which will impact on the hours to complete.

iii. *Capitalised intangibles:*
Development costs in respect of internally generated intangible assets are capitalised based on demonstrating the technical feasibility of completing the intangible asset so that it will be available for sale, intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

(c) Judgments and key sources of estimation uncertainty (continued)

iv. *Revenue recognition for licences around point in time/ over time:*
The determination around whether to recognise licences at a point in time or over time is driven by when control is transferred. When there are multi performance obligations a dominant feature is determined by reference to specific features in the individual contracts.

(d) Intangible assets

Intangible assets acquired separately, such as software, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred. Intangible assets with finite lives, such as software, are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting year. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. All intangible assets are amortised over three years.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when all of the following criteria are satisfied:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

1. ACCOUNTING POLICIES (continued)

(d) Intangible assets (continued)

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised evenly over the year of expected future benefit.

The Company has capitalised £2,166,030 of development costs in the current year (2020: £1,776,911).

(e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost or valuation less accumulated depreciation and impairment losses. Cost comprises the amount paid and the costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Right-of-use asset	- Over the lease term
Leasehold improvements	- Over the lease term
Computer equipment	- 3 years
Fixtures, fittings & equipment	- 3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. Any gain or loss arising from the de-recognition of the asset is included in the Statement of Comprehensive Income in the year of de-recognition.

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

(f) Financial assets

Initial recognition and measurement - the Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Trade receivables – The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables.

To measure the expected credit losses trade receivables have been based on percentage of losses over a period of 10 years. The Company has therefore concluded that the expected loss rates for trade receivable are a reasonable approximation of the loss rates. The expected loss rates are based on the payment profiles of sales over a period of 10 years before 31 December 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are not adjusted to reflect further adjustments as there are not significant risks for the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

(f) *Financial assets (continued)*

The loss allowances for trade receivable as at 31 December reconcile to the opening loss allowances as follows:

	Year ended 31 Dec 2021	*Year ended 31 Dec 2020*
	£	£
Opening loss allowance at 1 January	10,499	-
Increase in loss allowance recognised in profit or loss during the year	1,757	10,499
Unused amount reversed	-	-
Closing loss allowance at 31 December	12,256	10,499

Impairment of financial assets - the Company assesses at the end of reporting year whether there is objective evidence that a financial asset or group of financial assets are impaired. Impairment losses are only incurred if there is objective evidence of impairment, as a result of one or more events that occurred after the initial recognition of the asset and had an impact on the estimated future cash flows of the asset or group of financial assets that can be reliably estimated.

Derecognition - a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's Statement of Financial Position) when:

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

(g) *Financial liabilities*

Initial recognition and measurement - the Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

Subsequent measurement - for purposes of subsequent measurement, financial liabilities held by the Company are classified as follows:

- Loans and borrowings - after initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

(g) Financial liabilities (continued)

Derecognition of financial liabilities - a liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the Statement of Comprehensive Income.

(h) Cash at bank and in hand

Cash at bank and in hand includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(i) Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

(j) Leases

Leases as a lessee - the Company accounts for a contract or a part of a contract as a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On the commencement of a lease, the Company recognises a right-of-use asset and a lease liability for all leases except short term leases that have a lease term of 12 month or less and leases of low-value assets.

The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred, any initial payments which have already been made but are not included in the lease liability and an estimate of the restoration costs required under the terms of the lease less any lease incentives received. Depreciation on the right-of-use asset is charged to the Statement of Comprehensive Income on a straight-line basis over the shorter of the asset's useful life and the lease term. For purposes of subsequent measurement of the right-of-use asset, the Company follows the policy for property, plant and equipment, being cost less accumulated depreciation and accumulated impairment losses.

The Company initially measures the lease liability at the present value of the lease payments over the lease term that are not paid at commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

(j) Leases (continued)

It is remeasured when there is a change in future lease payments with a corresponding adjustment made to the carrying amount of right-of-use asset unless the carrying value of right-of-use asset is reduced to zero.

The Company has elected to account for short-term leases and leases of low-value items in profit or loss on a straight line basis over the lease term. Low-value items comprise IT equipment.

Leases as a lessor - when the Company is a lessor, the Company accounts for the leases as a finance lease when, the Company transfers substantially all the risks and rewards of ownership of the underlying asset, otherwise the lease is accounted for as an operating lease on a straight line basis through profit or loss.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16. However, when the Company was an intermediate lessor, the sub-leases were classified with reference to the underlying asset.

(k) Pension costs

The Company operates a defined contribution pension scheme. Contributions are charged to the statement of comprehensive income and recognised as employee benefit expenses as they become payable in accordance with the rules of the scheme.

(l) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in pound sterling (£), which is also the Company's functional currency.

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

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

(m) Taxation

The tax expense for the financial year comprises current and deferred tax. Current tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, current tax is charged or credited to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the profit or loss, in the Statement of Comprehensive Income.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted for the financial year.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for deferred tax assets which are only recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

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

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

The company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime). The company accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

(n) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a product or service to a customer.

Multi element arrangements, allocations of the transaction price and Modifications
The Company derives revenue from licences of its software and related professional services, which can include; assistance in implementation, customisation and integration, post-contract customer support, and other professional services. In the event that an agreement with the Company's customers is executed in close proximity to other agreements with the same customer, the Company evaluates whether the separate agreements are linked, and, if so, the agreements together are considered a single multi-element arrangement.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

(n) Revenue recognition (continued)

Where such multiple-element arrangements exist, the amount of revenue allocated to each distinct element is based upon the relative fair values of the various distinct elements. The fair values of each element are determined based on the best estimate of the current market price of each of the elements when sold separately.

In determining the total transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer.

A modification to an existing contract that does not result in a separate contract is accounted for as an adjustment to the existing contract, either prospectively or through a cumulative catch-up adjustment. The determination depends on whether the remaining goods or services to be provided to the customer under the modified contract are distinct.

Arrangements with multiple performance obligations
The Company's contracts with customers may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines standalone selling prices based on the prices charged to customers, or by using an expected cost plus margin approach.

Performance obligations are determined by promises in the contract to transfer services to a customer that are distinct.

Sale of and subscription to licences
Revenue is recognised over the year of the related sales agreement, unless the licence is not distinct or has a dominant feature separate from the post contractual support ("PCS"), in which case the licence revenue is recognised when the Company has no further obligations to perform in respect of the licence, and to the extent that the licence is considered a right of use of the software. Where the licence is distinct or is considered a right to access IP, the licence revenue is recognised at a point in time. Where the licence is distinct and separated from the PCS, the PCS revenue is recognised over the PCS year in the sales agreement.

Rendering of services
Revenue pursuant to time and material professional services contracts are recognised as services are performed. Revenues from fixed-fee professional service contracts is recognised based on the actual service provided to the end of the reporting year as a proportion of the total services to be provided. This is determined based on the actual labour hours spend relative to the total expected labour hours. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the year in which the circumstances that give rise to the revision become known. Full provision is made for losses on all contracts in the year in which they are first foreseen.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

1. ACCOUNTING POLICIES (continued)

(n) *Revenue recognition (continued)*

Deferred revenues
The Company records deferred revenues when cash payments are received or due in advance of the performance, including amounts which are refundable.

The Company's payment terms vary by the type and location of the customer, and the products or services offered. The term between invoicing and when payment is due is not significant. For certain products or services and customer types, the Company requires payment before the products or services are delivered to the customer.

The Company assessed the impact of time value of money in its contracts, it also concluded that this has been found to be immaterial and as such it is not visible in the finance line.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

2. REVENUE

Revenue was wholly derived from the Company's principal activity wholly undertaken in the United Kingdom. It comprises the value of goods and services sold, excluding VAT.

	Year ended 31 Dec 2021	*Year ended 31 Dec 2020*
	£	£
Geographical source of revenue:		
United Kingdom	3,037,360	2,000,318
Rest of Europe	1,631,205	1,631,439
North America	1,293,195	911,837
Rest of the world	1,488,037	2,072,944
	7,449,797	6,616,538

	Year ended 31 Dec 2021	*Year ended 31 Dec 2020*
	£	£
Licences and support	6,926,896	5,995,632
Professional services	522,901	620,906
	7,449,797	6,616,538

Revenue recognised in relation to contract liabilities:

	Year ended 31 Dec 2021	*Year ended 31 Dec 2020*
	£	£
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	4,627,684	3,497,283
Revenue recognised that was included in the contract liability balance at the beginning of the year	752,065	212,573
	5,379,749	3,709,856

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

3. OPERATING LOSS

	Year ended 31 Dec 2021	*Year ended 31 Dec 2020*
Operating loss is stated after charging / (crediting):	£	£
Depreciation of tangible assets	380,866	385,477
Amortisation of intangible assets	2,166,757	2,331,345
Foreign exchange losses	(163)	6,898
Loss / (gain) on disposal of fixed assets	151	(1,185)

4. AUDITORS' REMUNERATION

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company.

	Year ended 31 Dec 2021	*Year ended 31 Dec 2020*
	£	£
Audit of Company financial statements	29,348	31,588
Tax	4,821	5,189
	34,169	36,777

5. DIRECTORS' REMUNERATION

	Year ended 31 Dec 2021	*Year ended 31 Dec 2020*
	£	£
The amounts paid to the Directors are as follows:		
Salaries and other short-term employee benefits	597,732	643,354
Pension contributions	54,771	41,783
	652,503	685,137

The highest paid Director received aggregate remuneration of £269,674 (2020 - £292,586).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

6. STAFF COSTS

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Wages and salaries	4,498,611	4,070,586
Social welfare costs	571,224	526,274
Other pension costs	434,598	397,356
Temporary staff and contractors	547,997	759,341
	6,052,430	5,753,557

Staff costs are split as follows:

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Capitalised in the year	2,166,030	1,776,911
Expensed in the year	3,886,400	3,976,646
	6,052,430	5,753,557

The average monthly number of employees (including Directors) during the year was:

	Year ended 31 Dec 2021 Number	Year ended 31 Dec 2020 Number
Administrative	13	13
Technical	53	47
Sales	2	4
	68	64

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Bank interest	19,517	19,572
	19,517	19,572

8. FINANCE COSTS AND SIMILAR CHARGES

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Lease interest expense	44,228	66,649
Interest expense	19,338	29,298
	63,566	95,947

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

9. TAX CREDIT ON LOSS

		Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
(a)	*Tax on loss on ordinary activities*		
	The tax credit is made up as follows:		
	Current tax:		
	UK corporation tax	(571,356)	(593,027)
	Adjustments in respect of prior years	(184)	(13,154)
	Total current tax	(571,540)	(606,181)
	Tax on loss on ordinary activities *(note 9(b))*	(571,540)	(606,181)

(b) *Factors affecting tax credit for the year:*
The tax assessed for the year differs (2020: differs) from that calculated by applying the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Accounting loss before tax	(402,793)	(1,195,098)
Accounting loss before tax multiplied by standard rate of corporation tax in the United Kingdom of 19% (2020: 19%)	(76,530)	(227,069)
Effects of:		
R&D expenditure increased deduction	(698,225)	(611,713)
Expenses not deductible for tax purposes	20,438	33,406
R&D expenditure surrendered for tax credit	177,318	184,042
Impact of rate change	(55,409)	(14,896)
Adjustments in respect of prior years	(184)	(13,154)
Timing differences for which deferred tax is not recognised	61,052	43,203
Tax on loss on ordinary activities *(note 9(a))*	(571,540)	(606,181)

The Company has estimated gross losses of £3,021,896 (2020 - £3,021,896) available for carry forward against future trading profits. £2,098,424 (2020 - £2,128,132) of these have been recognised to offset deferred tax liabilities and the remaining element of £923,472 (2020 - £893,764) is not recognised as Management do not consider that sufficient profits will arise in the future to utilise these losses against

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

9. TAX CREDIT ON LOSS (continued)

(c) *Deferred tax liability*

	2021	*2020*
	£	£
Accelerated capital allowances	(23,928)	(22,789)
Other short term timing differences	8,404	4,641
Intangibles	(509,082)	(386,197)
	(524,606)	(404,345)
Deferred Tax Liability Losses not recognised	230,868	169,816

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements

10. INTANGIBLE ASSETS

	Software	*Other intangibles*	*Development costs*	*Total*
	£	£	£	£
Cost				
At 1 January 2021	402,222	2,463,134	9,926,794	12,792,150
Additions	-	-	2,166,030	2,166,030
At 31 December 2021	402,222	2,463,134	12,092,824	14,958,180
Accumulated Amortisation				
At 1 January 2021	(392,359)	(2,463,134)	(7,894,481)	(10,749,974)
Charge for the year	(4,737)	-	(2,162,020)	(2,166,757)
At 31 December 2021	(397,096)	(2,463,134)	(10,056,501)	(12,916,731)
NBV at 31 Dec 2021	5,126	-	2,036,323	2,041,449
NBV at 31 Dec 2020	9,863	-	2,032,313	2,042,176

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

11. TANGIBLE ASSETS

	Right-of-use asset	*Leasehold improvements*	*Computer equipment*	*Fixtures, fittings & equipment*	*Total*
	£	£	£	£	£
Cost					
At 1 January 2021	673,915	428,100	633,847	230,241	1,966,103
Additions	-	-	91,287	-	91,287
Disposals	-	-	(3,247)	-	(3,247)
At 31 December 2021	673,915	428,100	721,887	230,241	2,054,143
Accumulated Depreciation					
At 1 January 2021	(246,238)	(168,852)	(526,602)	(188,037)	(1,129,729)
Charge for the year	(155,518)	(107,026)	(88,355)	(29,967)	(380,866)
Disposals	-	-	1,846	-	1,846
At 31 December 2021	(401,756)	(275,878)	(613,111)	(218,004)	(1,508,749)
Net book value at 31 Dec 21	272,159	152,222	108,776	12,237	545,394
Net book value at 31 Dec 20	427,677	259,248	107,245	42,204	836,374

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

12. LEASE LIABILITY

The Company has one real estate lease for a property which is being used for the executive and administrative offices, and has a weighted average remaining lease term of 3.5 years. The incremental borrowing rate was determined by the use of the recent third-party financing received by the Company and adjusted specifically to the lease term.
The incremental borrowing rate is equal 5.98% (2020: 7.29%).

Leases amounts recognised in the statement of financial position:

Right-of-use assets	*2021*	*2020*
	£	£
Buildings	272,159	427,678
	272,159	427,678
Lease liabilities		
Current	415,229	393,662
Non-current	99,582	424,186
	514,811	817,848

	2021	*2020*
	£	£
Amounts recognised in the statement of Comprehensive Income relating to leases:		
Depreciation charge of right-of-use assets	155,519	155,519
Interest expense (included in finance cost)	63,566	66,649
Expense relating to short term leases	-	-
Expense relating to leases of low value assets	1,948	974

The total cash outflow for leases in 2021 was £347,264 (2020: £157,220).

At 31 December the Company had the following future minimum lease payments under non-cancellable leases for each of the following periods:

	2021
	£
2022	434,085
2023	101,286
Total	535,371
Less: present value adjustment	(20,560)
Lease liability	514,811

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

13. DEBTORS – amounts falling due within one year

	2021	2020
	£	£
Amounts falling due within one year		
Trade debtors	2,383,244	2,041,556
Amounts due from group undertakings	7,629	7,984
Prepayments and accrued income	3,022,450	2,310,200
Other debtors	211,406	211,644
Corporation tax	571,356	592,843
	6,196,085	5,164,227

Amounts due from group undertakings are all unsecured non-interest bearing trade balances, repayable on demand.

	2021	2020
	£	£
Trade debtors		
Trade receivables from contracts with customers	2,395,500	2,052,055
ECL Loss allowance	(12,256)	(10,499)
	2,383,244	2,041,556

14. CREDITORS – amounts falling due within one year

		2021	2020
		£	£
Amounts falling due within one year			
Trade creditors		311,660	148,207
Amounts owed to group undertakings		4,480,837	4,497,802
Other taxation and social security		136,358	124,464
Other creditors		201,710	150,108
Accruals & deferred income		4,932,569	4,643,189
Lease liabilities	12	415,229	393,662
Current secured borrowings	15	136,875	126,403
		10,615,238	10,083,835

Amounts due to group undertakings are all unsecured non-interest bearing trade balances, repayable on demand.

15. LOAN AND BORROWINGS

	Current	*Non- Current*	*Total*
	£	£	£
Other borrowings for the year 2021	136,875	35,955	172,830
Other borrowings for the year 2020	126,403	172,831	299,234

The other borrowings are secured against the related assets that the borrowings financed.

16. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY

	2021	*2020*
	£	£
Authorised		
10,000,000 (2020: 10,000,000) Ordinary Shares of 1p each	100,000	100,000

Ordinary Shares have full voting and dividend rights, and carry distribution rights upon a winding up, sale or quotation of the Company.

	2021	*2020*
	£	£
Allotted, called up and fully paid		
10,000,000 (2020: 10,000,000) Ordinary Shares of 1p each	100,000	100,000

CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

17. 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 representing contributions payable by the Company to the scheme in 2021 amounted to £434,598 (2020: £397,356). Contributions payable to the fund at the year-end date amounted to £40,447 (2020: £32,743).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021 (Continued)

18. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Those transactions with Directors are disclosed in note 5. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

19. PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The Company's immediate parent controlling party is Caplin Group Limited, a company incorporated in England. The Company's ultimate controlling party is ION Private Equity Fund II Limited Partnership (an Irish Limited Partnership managed by ION Capital Management Limited).

The largest and smallest group in which the results of the Company are consolidated is that headed by Lab49 Consulting Holdings Limited, a company registered in Ireland, and Caplin Group Limited respectively. Consolidated financial statements are available to the public and may be obtained from Companies Registration Office and Companies House.

20. EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

There are no significant events since the statement of financial position date.

21. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved and authorised for issue the financial statements in respect of the financial year ended 31 December 2021 on 31st August 2022.