

REGISTERED NUMBER: 02910629

STATPRO GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



STATPRO GROUP LIMITED

**CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Page
Company information	1
Strategic report	2 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 8
Income statement	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 24

**STATPRO GROUP
LIMITED**

COMPANY INFORMATION

DIRECTORS: JMBT Wheatley - resigned on 27 November 2019
AM Fabian - resigned on 2 December 2019
MS Evans - appointed on 29 October 2019
FC Winston - appointed on 29 October 2019
CS Evans – appointed on 30 October 2019
CS Evans – resigned on 6 January 2020
MC Adorian – resigned on 29 October 2019
DJ Courtley – resigned on 29 October 2019
RG Curran – resigned on 29 October 2019
JE Tozer – resigned on 29 October 2019

SECRETARY: AM Fabian - resigned on 23 May 2019
C Moseley - appointed on 23 May 2019

REGISTERED OFFICE: Mansel Court
Mansel Road
Wimbledon
London
SW19 4AA

INDEPENDENT AUDITORS: Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

BANKERS: The Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

REGISTERED NUMBER: 02910629

StatPro Group Limited is incorporated and domiciled in England and Wales.

**STATPRO GROUP
LIMITED**

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

All figures in £000s unless otherwise stated

PRINCIPAL ACTIVITY

The principal activity of the Company is the development, marketing and licensing of software systems to StatPro subsidiaries to resell to the global asset management industry.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The financial results and year-end position of StatPro Group Limited ('the Company') are shown in the financial statements on pages 9 to 24.

The Company's loss for the financial year amounted to £7,032 (2018: restated loss of £4,858) and Net current liabilities are £36,455 (2018: restated Net current liabilities of £15,501).

On October 29, 2019 the Company (formerly named StatPro Group plc) entered into an agreement with Cobra Holdings, Inc. whereby 100% of the outstanding shares of the Company were acquired. As part of this transaction an intermediate holding company, Ceres Bidco Limited, was incorporated.

All external borrowings held by the Company at 29 October 2019 were repaid in connection with the transaction (see note 13). This has been replaced by intergroup loans from the new owner.

Both the level of business and financial position remain in line with expectations. The Company will continue to develop, market and license software systems to its subsidiaries to resell to the global asset management industry.

KEY PERFORMANCE INDICATORS

Key performance indicators include revenues 2019: £26,041 (2018: £25,823) and operating profit 2019: loss of £6,206 (2018: loss £3,700). The performance was impacted by a number of significant costs incurred during the year principally relating to the Cobra Holdings, Inc. acquisition of £3,156 (2018: £nil) (see note 2).

GOING CONCERN

There remains significant uncertainty regarding the global economic impact of the COVID-19 pandemic. Since announcement of the pandemic the company has continued to operate as a support function for the US parent company, Cobra Holdings, Inc.

The directors have considered their forecasts for the next 12 months and have also received confirmation from its parent company that it continues to be fully supportive of the Company and have agreed not to request repayment of its funding for at least 12 months from the date of the signing of the accounts, and, to provide working capital, if required, to enable the Company to meet its liabilities as they fall due for at least a period of 12 months from the date of signing these accounts.

The financial statements are prepared on a going concern basis which assumes that the Company will be able to continue in operational existence for the foreseeable future. The validity of this assumption depends on the company continuing to meet its day to day working capital needs from the cash available or through further support from the parent company.

The directors are closely monitoring performance and cash flows and are confident that the matters referred to above will continue to be managed effectively. As a result of the above the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis

**STATPRO GROUP
LIMITED**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)**

All figures in £000s unless otherwise stated

FINANCIAL RISK MANAGEMENT

The Directors are of the opinion that the principal risks of the Company are similar to those of the Cobra Holdings, Inc. Group.

If the Group's business strategy fails to identify new markets and/or products, and/or fails to improve on current offerings, there is a risk that it will lose sales to competitor's offerings. Furthermore, cyber-attacks or information security breaches could result in damage to reputation and claims from clients.

From a financial risk management perspective, the Company's liquidity risk is reviewed at the Cobra Holdings, Inc. Group level by close monitoring of projected cash collection from its subsidiaries and cash obligations to suppliers and salary payments to staff as well as other cash commitments.

HEALTH AND SAFETY

The Company's policy is to ensure that, as far as is reasonably practicable, working environments exist which will minimise risk to the health and safety of employees.

ON BEHALF OF THE BOARD



FC Winston – **DIRECTOR**
20 January 2021

**STATPRO GROUP
LIMITED**

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

All figures in £000s unless otherwise stated

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

LEGAL FORM

The Company is a limited company, incorporated and domiciled in England and Wales. The Company's registration number is 02910629.

RESULTS AND DIVIDENDS

The Company's loss for the year was £7,032 (2018: restated £4,858 loss).
The dividend paid for 2019 was £1,350 (2018: £1,904).

GOING CONCERN

The accounts have been prepared on a going concern basis (see the Going Concern section of the Strategic Report).

RESEARCH AND DEVELOPMENT

The Company invests in developing improved software products and services. Development expenditure incurred during the year was £3,706 (2018: £4,701).

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements were:

JMBT Wheatley - resigned on 27 November 2019
AM Fabian – resigned on 2 December 2019
MC Adorian – resigned on 29 October 2019
DJ Courtley – resigned on 29 October 2019
RG Curran – resigned on 29 October 2019
JE Tozer – resigned on 29 October 2019
CS Evans – appointed on 30 October 2019, resigned on 6 January 2020

MS Evans - appointed on 29 October 2019
FC Winston - appointed on 29 October 2019

DIRECTORS' INDEMNITY INSURANCE

The Company carries an appropriate level of professional indemnity insurance cover for the size of the business and also has insurance cover for Directors' and Officers' liability.

**STATPRO GROUP
LIMITED**

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

All figures in £000s unless otherwise stated

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT
AND THE FINANCIAL STATEMENTS**

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

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

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

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


Each director has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITORS

Following the acquisition Cobra Holdings, Inc, Ernst & Young LLP resigned as independent auditor to the Company and the Group auditor, Grant Thornton UK LLP has been appointed. The auditor will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD


FC Winston -Director

20 January 2021

STATPRO GROUP LIMITED

Independent auditor's report to the members of StatPro Group Limited

Opinion

We have audited the financial statements of StatPro Group Limited ('the Company') for the year ended 31 December 2019, which comprise the income statement, 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 101 'Reduced Disclosure Framework' 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 2019 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

STATPRO GROUP LIMITED

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; or

Responsibilities of directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the 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.

**STATPRO GROUP
LIMITED**

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.

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.



Christopher Raab, ACA
Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
20 January 2021

**STATPRO GROUP
LIMITED**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £'000	Restated 2018 £'000
Revenue	1	26,041	25,823
Operating expenses	2,4	(32,247)	(28,493)
Increase in SiSoft legal provision	3	-	(1,030)
Operating loss		<u>(6,206)</u>	<u>(3,700)</u>
 Interest receivable and similar income	5	915	1,407
Interest payable and similar cost	6	(2,793)	(3,054)
 Loss on ordinary activities before taxation		<u>(8,084)</u>	<u>(5,347)</u>
 Tax credit	7	1,052	489
 Loss for the financial year		<u><u>(7,032)</u></u>	<u><u>(4,858)</u></u>

The results shown above all relate to continuing activities.

There were no other items of comprehensive income in 2018 or 2019.

The notes on pages 12 to 24 form part of these financial statements.

**STATPRO GROUP
LIMITED**

BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 £'000	Restated 2018 £'000
Non-current assets			
Intangible assets	9	18,999	24,113
Investments	10	47,670	47,670
Deferred tax asset	7	1,605	523
		<u>68,274</u>	<u>72,306</u>
Current assets			
Amounts due from group companies	11	61,890	4,318
Income tax receivable		697	1,580
Prepayments and accrued income		185	262
Other debtors		52	50
Financial Instruments - other		-	47
Cash and cash equivalents		<u>3,269</u>	<u>-</u>
		66,093	6,257
Current liabilities			
Bank overdrafts	13	-	(1,065)
Trade creditors		(193)	(332)
Amounts due to group companies	12	(100,577)	(11,541)
Other creditors including tax and social security		(36)	(37)
Accruals and deferred income		(338)	(672)
Provisions		(1,404)	(1,072)
Financial Instruments - other		-	(30)
Financial liabilities - borrowings	13	<u>-</u>	<u>(7,009)</u>
		(102,548)	(21,758)
Net current liabilities		(36,455)	(15,501)
Total assets less current liabilities		31,819	56,805
Non-current liabilities			
Deferred tax liability	7	(1,900)	(1,870)
Deferred consideration		(3,264)	(3,284)
Financial liabilities – borrowings	13	-	(18,900)
		<u>(5,164)</u>	<u>(24,054)</u>
Net assets		26,655	32,751
Capital and reserves			
Called up Share Capital		25,215	22,990
Capital contribution reserve		2,369	2,369
Profit and loss account		(929)	7,392
Total Equity		26,655	32,751

The notes on pages 12 to 24 form part of these financial statements.

The financial statements on pages 9 to 24 were approved by the Board of Directors on 20 January 2021 and were signed on its behalf by:



FC Winston – **DIRECTOR**

Company registered number: 3691156

**STATPRO GROUP
LIMITED**

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

	Share capital £'000	Share Premium £'000	Shares to be issued £'000	Treasury Shares £'000	Other Reserves £'000	Retained Earnings £'000	Total £'000
Balance at 1 January 2018	687	24,454	63	(2,328)	2,369	11,882	37,127
Impact of prior year adjustment net of tax (note 3)	-	-	-	-	-	1,737	1,737
Balance at 1 January 2018 (restated)	687	24,454	63	(2,328)	2,369	13,619	38,864
Loss for the year (restated)	-	-	-	-	-	(4,858)	(4,858)
Total comprehensive income	687	24,454	63	(2,328)	2,369	8,761	34,006
<i>Transactions with owners:</i>							
Share based payments	-	-	-	-	-	522	522
Tax related to share options	-	-	-	-	-	(20)	(20)
Lapse of share options	-	-	(63)	-	-	63	-
Treasury Shares Issued	-	-	-	30	-	(30)	-
Shares Issued	1	146	-	-	-	-	147
Dividends	-	-	-	-	-	(1,904)	(1,904)
Balance at 31 December 2018 - restated	688	24,600	-	(2,298)	2,369	7,392	32,751
Loss for the year	-	-	-	-	-	(7,032)	(7,032)
Total comprehensive income	688	24,600	-	(2,298)	2,369	360	25,719
<i>Transactions with owners:</i>							
Share Based Payments	-	-	-	-	-	61	61
Tax related to share payments	-	-	-	-	-	-	-
Shares Issued	43	2,200	-	(18)	-	-	2,225
Dividends	-	-	-	-	-	(1,350)	(1,350)
Balance at 31 December 2019	731	26,800	-	(2,316)	2,369	(929)	26,655

**STATPRO GROUP
LIMITED**

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

1. Accounting policies

StatPro Group Limited is incorporated and domiciled in England and Wales.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), under the historical cost convention on a going concern basis and in accordance with the Companies Act 2006 and with applicable accounting standards in the United Kingdom.

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000s) except where otherwise indicated.

Basis of preparation

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

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 *Share based Payment*, because the share based payment arrangement concerns the instruments of another group entity;
- (b) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of *IFRS 3 Business Combinations*
- (c) the requirements of paragraph 33 (c) of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
- (d) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
- (e) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
 - (iii) paragraph 118(e) of IAS 38 *Intangible Assets*;
 - (iv) paragraphs 76 and 79(d) of IAS 40 *Investment Property*; and
 - (v) paragraph 50 of IAS 41 *Agriculture*
- (f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements*;
- (g) the requirements of IAS 7 *Statement of Cash Flows*;
- (h) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (i) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;

**STATPRO GROUP
LIMITED**

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

1. Accounting policies (continued)

- (j) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- (k) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*

Going concern

The accounts have been prepared on a going concern basis. There remains significant uncertainty regarding the global economic impact of the COVID-19 pandemic. Since announcement of the pandemic the company has continued to operate as a support function for the US parent company, Cobra Holdings, Inc.

The directors have considered their forecasts for the next 12 months and have also received confirmation from its parent company that it continues to be fully supportive of the Company and have agreed not to request repayment of its funding for at least 12 months from the date of the signing of the accounts, and, to provide working capital, if required, to enable the Company to meet its liabilities as they fall due for at least a period of 12 months from the date of signing these accounts.

The financial statements are prepared on a going concern basis which assumes that the Company will be able to continue in operational existence for the foreseeable future. The validity of this assumption depends on the company continuing to meet its day to day working capital needs from the cash available or through further support from the parent company.

The directors are closely monitoring performance and cash flows and are confident that the matters referred to above will continue to be managed effectively. As a result of the above the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Exemption from preparing consolidated accounts

The Company is a wholly owned subsidiary of Ceres Bidco Limited and of its ultimate parent, Cobra Holdings, Inc. Its financial results are included in the consolidated financial statements of Cobra Holdings, Inc. which can be obtained from Mansel Court, Mansel Road, London SW19 4AA. Therefore, the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements and these financial statements present results of the individual company and not its group.

Investments

Investments in subsidiary undertakings are stated at cost less any provisions for impairment.

Intangible fixed assets

Intangible assets principally comprise of internally generated development.

**STATPRO GROUP
LIMITED**

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

1. Accounting policies (continued)

Impairment reviews of intangible fixed assets are carried out where there is any indication of impairment.

Computer software amortised at:	- between 14% and 33% per annum
Website development costs amortised at:	- 33% per annum
Internally generated development	- 33% per annum
Customer contracts:	- over the period of the contracts (between 3 and 7 years)
Trade Marks amortised at:	- between 10% and 50% per annum
Other Intangible Costs	- 33% per annum

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, and where these transactions or events result in an obligation to pay more tax, or a right to pay less tax in the future. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred taxation assets are only recognised when their recoverability can be determined with a degree of certainty.

Deferred taxation 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 substantially enacted at the balance sheet date. Deferred taxation balances are measured on a non-discounted basis.

Interest expense

Interest expense, including expenses arising from finance leases, is recognised using the effective interest method.

Share-based payments

The equity instruments are granted to the employees of StatPro Group by the Company. The share based compensation is accounted for as equity-settled therefore the Company is required to record an expense for such compensation in accordance with IFRS 2 'Share based payments', with a corresponding increase recognised in the capital contribution reserve in equity as a contribution from the parent.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which they relevant employees become fully entitled to the award. The fair value is determined using the Black-Scholes options pricing model and fully disclosed in note 17.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**STATPRO GROUP
LIMITED**

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

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of financial statements under FRS 101 requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, therefore not necessarily equate to the actual outcome. Estimates are made by the directors based on experience and estimates believed to be reasonable expectations of future outcomes.

Critical accounting estimates and judgements are made in the following areas:

- Revenue recognition
- Deferred tax recognition

Turnover

All turnover, results before taxation and net assets are attributable to the principal activity of the Company, being the development, marketing and distribution of software, data and accompanying support services to the global asset management industry.

Turnover consists predominantly of sales made in the United Kingdom. Turnover by origin and destination are not materially different.

Analysis of revenue by classes of continuing business:

	2019	2018
	£'000	£'000
Intercompany recharges	26,041	25,823
	<u>26,041</u>	<u>25,823</u>

2. Operating profit/(loss)

	2019	Restated 2018
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Auditors remuneration	141	153
Amortisation of intangible software	11,762	10,303
Other operating expenses	16,456	17,814
Exchange differences relating to intercompany loans	69	-
One-off acquisition-relates expenses	3,156	-
Increase in SiSoft legal provision	-	1,030
Restructuring and other one-off charges	<u>663</u>	<u>223</u>

**STATPRO GROUP
LIMITED**

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

3. Prior period restatement

The impact on the profit and loss for the year ended 31 December 2018 was as follows:

	2018 £'000
Loss as previously reported	(4,249)
Increase in SiSoft legal provision	(1,031)
Increase in bonus provision	(200)
Reduction in internal development amortisation	749
Tax	(127)
Loss restated	<u>(4,858)</u>

The impact on the balance sheet as at 31 December 2018 was as follows:

	Internally generated development accumulated amortisation £'000	Accruals and deferred income £'000	Provisions £'000	Non- current deferred tax liability £'000	Reserves £'000
Balance at 31 December 2018 – as reported	(10,738)	(472)	(41)	(1,387)	31,623
Impact of prior period restatement on balances at 1 January 2018	2,093	-	-	(356)	1,737
Impact of prior period restatement impacting 2018	749	(200)	(1,031)	(127)	(609)
Balance at 31 December 2018 – as restated	(7,896)	(672)	(1,072)	(1,870)	32,751

The additional provision of £1.03million on the SiSoft litigation arose following the ruling by the French Court of Appeal on 12 March 2019 that unexpectedly overturned previous French commercial court judgements and was contrary to the Court-appointed independent expert's report on the matter. Following a review of the full details of the French judgement and a further review of the French legal advice and other information that was available when the 2018 Annual Report was authorised by the Board on 15 March 2019, the Board has concluded that the full year 2018 accounts (profit and loss and balance sheet) should be restated. The Board has concluded that the financial implications of this legal advice (which was reliable information that was available to the company and could reasonably be expected to have been obtained and taken into account) were omitted when concluding on the provision in respect of the SiSoft litigation in the 2018 Annual Report and therefore this has been treated as a prior year adjustment, as required under IAS8.

The additional provision of £0.2million on the bonus provision arose due to the original 2018 bonus accrual being held in another Group company. Following a review, the Board has concluded that the full year 2018 accounts (profit and loss and balance sheet) should be restated. Therefore this has been treated as a prior year adjustment, as required under IAS8.

The reduction in internal development amortisation of £0.75million arose due to an incorrect amortisation calculation which dated back to 2017. Following a review the Board has concluded that the full year 2018 accounts (profit and loss and balance sheet) should be restated. This has been treated as a prior year adjustment, as required under IAS8. The impact of the reduction in internal development amortisation on brought forward reserves as at 1 January was £2.1m (see Statement of Changes in Equity).

The tax impact of the prior year restatements is to increase the deferred tax liability by £483.

**STATPRO GROUP
LIMITED**

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

4. Staff costs and director's remuneration

a) Staff costs

	2019	2018
	£'000	£'000
Wages and salaries	773	972
Severance	1,362	-
Social security	303	82
	<u>2,438</u>	<u>1,054</u>

Included in wages and salaries is share-based payments charge of £61 for the year (charge for 2018: £58) which arises from transactions accounted for as equity-settled share-based payment transactions.

The average number of employees, including directors, employed by the Company during the year was as follows:

	2019	2018
	Number	Number
By activity		
Selling, distribution and client services	-	-
Research and development	-	-
Operations, management and administration	6	6
	<u>6</u>	<u>6</u>

b) Directors' remuneration

	2019	2018
	£'000	£'000
Salary and fees	679	730
Bonus	-	200
Benefits	33	28
Compensation for loss of office	1,362	-
	<u>2,074</u>	<u>958</u>

The remuneration represents that of JMBT Wheatley, AM Fabian, RG Curran, MC Adorian, DJ Courtley and JE Tozer who were directors of StatPro Group Ltd during 2019.

All the directors resigned during 2019 following the acquisition of the StatPro Group on October 29, 2019.

The highest paid director received £1,304 including compensation for loss of office during the year (2018: £554).

The directors who were appointed during 2019 were remunerated by another Group company.

**STATPRO GROUP
LIMITED**

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

5. Interest receivable and similar income

	2019 £'000	2018 £'000
Intercompany interest receivable	902	1,398
Bank and other interest receivable	13	9
	<u>915</u>	<u>1,407</u>

6. Interest payable and similar cost

	2019 £'000	2018 £'000
Intercompany interest payable	(694)	(875)
Bank and other interest payable	(2,099)	(2,179)
	<u>(2,793)</u>	<u>(3,054)</u>

7. Taxation

(a) Tax credited in the income statement

The tax credit is made up as follows:

	2019 £'000	2018 £'000
<i>Current income tax:</i>		
Current tax on profit for the year	-	614
Amounts over provided in prior years	-	-
Total current income tax	<u>-</u>	<u>614</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	117	(125)
Adjustment in respect of prior periods	935	-
Total deferred tax	<u>1,052</u>	<u>(125)</u>
Tax credit in the income statement	<u>1,052</u>	<u>489</u>

**STATPRO GROUP
LIMITED**

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

7. Taxation (continued)

(b) Reconciliation of the total tax credit

The tax credit in the income statement for the year is lower than the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are reconciled below:

	2019 £'000	Restated 2018 £'000
Loss on ordinary activities before tax	(8,084)	(5,347)
Tax credit on loss before tax at standard rate of corporation tax in the UK of 19% (2018: 19 %)	1,536	1,016
<i>Effect of:</i>		
(Income not taxable) for tax purposes	(515)	(52)
Amortisation not deductible for tax	(1,227)	-
R&D tax credit	(84)	-
Amortisation allowable for corporation tax	367	-
Share scheme deduction	352	-
Timing differences	-	550
Adjustments in respect of prior years – current tax	-	(30)
Adjustment in respect of prior years – deferred tax	935	43
Adjust closing deferred tax to average rate of 19%	35	-
Adjust opening deferred tax to average rate of 19%	(102)	-
R&D tax relief DTA not recognised	(68)	-
DTA not recognised on provisions	-	(234)
Effect of change in tax rates	-	(41)
Group relief	(177)	(763)
Total tax credit reported in the income statement	1,052	489

(c) Change in Corporation Tax Rate

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. A further reduction to 17% for the year starting 1 April 2020 was announced at Budget 2016. At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%.

(d) Deferred Tax

The deferred tax included in the company balance sheet is as follows:

	2019 £'000	2018 £'000
Share Based Payments	-	80
Tax losses	1,605	443
Deferred tax asset	1,605	523
Fair value adjustment to intangible assets	1,900	1,870
Deferred tax liability	1,900	1,870

**STATPRO GROUP
LIMITED**

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

8. Dividends paid and proposed

The dividend paid for 2019 was £1,350 (2018: £1,904).

9. Intangible fixed assets

	Goodwill £'000	Internally Generated Development £'000	Technology Acquired £'000	Customer Contract Acquired £'000	Other Intangible Costs £'000	Total £'000
Cost						
At 1 January 2019	422	17,126	8,436	2,359	18,002	46,345
Additions	-	6,644	-	-	4	6,648
Transfer from Group	-	-	-	-	4	4
At 31 December 2019	422	23,770	8,436	2,359	18,010	52,997
Accumulated amortisation						
At 1 January 2019	-	(7,896)	(2,770)	(774)	(10,792)	(22,232)
Transfer from Group	-	-	-	-	(4)	(4)
Charge	-	(5,999)	(1,687)	(472)	(3,604)	(11,762)
At 31 December 2019	-	(13,895)	(4,457)	(1,246)	(14,400)	(33,998)
Net book value						
At 31 December 2019	422	9,875	3,979	1,113	3,610	18,999
At 31 December 2018 (restated)	422	9,230	5,666	1,585	7,210	24,113

The opening accumulated amortisation of internally generated development has been restated.
Please refer to note 3.

**STATPRO GROUP
LIMITED**

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

10. Investments in subsidiary undertakings

	2019	2018
	£'000	£'000
Cost and net book value		
At 1 January 2019	47,670	47,670
At 31 December 2019	47,670	47,670

The Company's subsidiary undertakings, whose principal activities are the marketing and distribution of software systems, at 31 December 2019, comprise the following:

	Registered office address	Total percentage held by the Company
StatPro Limited	England and Wales	100%
Freedom Index Limited	England and Wales	100%
Vesti.ai Limited ¹	England and Wales	51%
StatPro Italia Srl	Italy	100%
SiSoft Sarl	France	100%
StatPro Inc	USA	100%
StatPro Canada Inc	Canada	100%
StatPro South Africa (Pty) Ltd	Republic of South Africa	100%
StatPro Asia Ltd	Hong Kong	100%
StatPro Australia Pty Ltd	Australia	100%
StatPro SA	Luxembourg	100%*
StatPro (Deutschland) GmbH	Germany	100%*
StatPro France SARL	France	100%*
Infovest Consulting (Pty) Ltd	Republic of South Africa	100%*

*Indirectly held via the Company's investment in StatPro Limited.

1. The initial investment in Vesti.ai by the Company was £51,000 representing a 51% share. The Company disposed of its entire shareholding in 2020 for £51,000.

**STATPRO GROUP
LIMITED**

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

11. Amounts due from group companies

Interest on amounts due from other group companies is payable at rates between 0% and 13.50% subject to de minimis balances repayable on demand.

	2019	2018
	£'000	£'000
Infovest Consulting (Pty) Ltd	71	-
StatPro France	1,652	-
StatPro Deutschland GmbH	3,348	-
StatPro Italia Srl	7,205	-
StatPro Asia Ltd	620	-
StatPro Canada Inc	5,185	4,318
StatPro Inc.	8,243	-
StatPro Ltd	19,721	-
Vesti	70	-
StatPro S.A.	3,066	-
StatPro Australia Pty Ltd	3,725	-
StatPro South Africa (Pty) Ltd	4,206	-
Ceres Bidco Ltd	4,778	-
	61,890	4,318

12. Amounts due to group companies

Interest on amounts due to other group companies is payable at rates between 0% and 5.93% subject to de minimis balances repayable on demand. There are cross-guarantees in place between group companies as part of the same banking arrangements.

	2019	2018
	£'000	£'000
StatPro France SARL	1,121	-
SiSoft SARL	22	-
StatPro S.A.	5,728	-
StatPro (Deutschland) GmbH	1,055	-
StatPro Asia	565	-
StatPro South Africa (Pty) Ltd	1,850	-
StatPro Australia Pty Ltd	1,440	-
Confluence International Ltd	21,450	-
Confluence Technologies, Inc.	15,027	-
StatPro Canada Inc	8,226	-
StatPro Ltd	27,289	-
Infovest Consulting (Pty) Ltd	58	-
StatPro Italia Srl	5,695	-
StatPro Inc	11,051	-
	100,577	-

**STATPRO GROUP
LIMITED**

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

13. Financial liabilities- borrowings

	2019 £'000	2018 £'000
Overdrafts	-	1,065
Bank loans - current	-	7,009
Bank loans – non-current	-	18,900
Total	-	26,974

As at 31 December 2018 the Company had a financing facility with Wells Fargo for acquisitions, share buybacks and general corporate purposes which comprised £38.7 million of total available credit of which £34.7 million was committed. This facility was repaid in its entirety following the acquisition of the Group by Cobra Holdings, Inc. on 29 October 2019.

This has been replaced by intergroup loans with the new owner (see note 12).

14. Called up share capital

	2019 £'000	2018 £'000
Authorised:		
125,000,000 (2018: 125,000,000) ordinary shares of 1p each	1,250	1,250
Allotted, called up and fully paid:		
73,080,104 (2018: 68,833,650) ordinary shares of 1p each	731	688

15. Related party transactions

The Company has taken advantage of the exemption in paragraph 8(k) of FRS 101 not to disclose transactions with wholly owned subsidiaries. There were no other related party transactions in the current year or prior period.

16. Guarantees and securities

In October 2019, Cobra Holdings, Inc. acquired StatPro Group Ltd and repaid its debts as part of the transaction. As at 31 December 2019, there is no debenture in place over the assets of StatPro Group Ltd.

17. Share based payments

Directors' interests in share options

	As at 31 December 2018 number	Granted in year number	Exercised in year number	Lapsed in year number	As at 31 December 2019 number
JMBT Wheatley	1,000,000	-	(1,000,000)	-	-
AM Fabian	150,000	-	(150,000)	-	-

**STATPRO GROUP
LIMITED**

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

17. Share based payments (continued)

Directors' interests in PSP share awards

	As at 31 December 2018	Granted in year	Exercised in year	Lapsed in year	As at 31 December 2019
	number	number	number	number	number
JMBT Wheatley	75,543	129,311	(51,131)	(153,723)	-
AM Fabian	182,380	43,104	(160,581)	(64,903)	-

Directors' interests in growth shares

	As at 31 December 2018	Granted in year	Exercised in year	Lapsed in year	As at 31 December 2019
	number	number	number	number	number
JMBT Wheatley	-	300,000	(100,000)	(200,000)	-
AM Fabian	-	100,000	(33,333)	(66,667)	-

Following the acquisition of StatPro Group Limited by Cobra Holdings, Inc. all remaining options, PSP awards and growth shares were either exercised or lapsed. No options, PSP awards or growth shares in StatPro Group Ltd remain outstanding.

18. Ultimate parent company and controlling party

The Company is included within the consolidated group accounts of its ultimate parent Company, Cobra Holdings, Inc. incorporated in the United States of America.

19. Post balance sheet events

On 11 March 2020, the World Health Organisation declared the global COVID-19 situation a pandemic. Following this announcement and the commencement of a national lockdown, the Company's office was closed and staff were asked to work from home.

Due to the Company being a support function of the parent company, Cobra Holdings, Inc. the Company's operations have largely continued as normal due to no loss of trade occurring.

There remains uncertainty as to the extent and duration of the global economic impact. The directors are constantly monitoring the situation and is taking all necessary steps to minimise the impact on the business.