

REGISTERED NUMBER: **02910629**

STATPRO GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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STATPRO GROUP LIMITED**CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**STATPRO GROUP
LIMITED**

COMPANY INFORMATION

DIRECTORS: MS Evans
FC Winston

SECRETARY: C Moseley – Resigned on 29 March 2022

REGISTERED OFFICE: Melbourne House
46 Aldwych
London
WC2B 4LL

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

BANKERS: The Royal Bank of Scotland
250 Bishopsgate
London
EC2M 4AA

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 2022**

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.

The financial results and year-end position of StatPro Group Limited ('the Company') are shown in the financial statements on pages 10 to 11.

The Company's loss for the financial year amounted to £8,042 (2021: £1,666) and Net current liabilities are £8,405 (2021: Net current liabilities of £1,536).

Both the level of business and financial position, including the key performance indicators below, 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. The Company anticipates to benefit from the Confluence Group's growth strategy and increase its market share via new business acquisitions and its continued development of market leading products.

KEY PERFORMANCE INDICATORS

Key performance indicators include revenues 2022: £11,846 (2021: £23,700) and operating loss 2022: £8,978 (2021: profit £170).

GOING CONCERN

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 2022 (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 managed at Mandolin Technology Holdings Inc's group level, rather than an individual business unit level.

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 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
19th January 2024

**STATPRO GROUP
LIMITED**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**
All figures in £000s unless otherwise stated

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

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 £8,042 (2021: £1,666).
The dividend paid for 2022 was £nil (2021: £nil). The directors do not propose a dividend.

GOING CONCERN

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

DIRECTORS

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

MS Evans
FC Winston

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.

MATTERS COVERED IN THE STRATEGIC REPORT

The detailed business review and key performance indicators are included in the strategic report.

**STATPRO GROUP
LIMITED****DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**
*All figures in £000s unless otherwise stated***DIRECTORS' RESPONSIBILITIES STATEMENT**

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 and 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.

The directors confirm that:

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

REAPPOINTMENT OF AUDITORS

Grant Thornton UK LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD



FC Winston – DIRECTOR
19th January 2024

**STATPRO GROUP
LIMITED****Independent auditor's report to the members of Statpro Group Limited****Qualified Opinion**

We have audited the financial statements of Statpro Group Limited (the 'company') for the year ended 31 December 2022, 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' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the matter described in the basis for qualified opinion section of our report:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for our qualified opinion

The company has not prepared group accounts. In respect of the preparation of group accounts, the company is not entitled to the exemptions available from the requirement to prepare group accounts. Whilst the company could be exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group accounts for the year ended 31 December 2022, it has not delivered to the registrar, within the time period allowed for filing its accounts, copies of the group financial statements which the company is included in, and which contains the consolidated annual report and financial statements and the auditor's report thereon. Group financial statements are available for request as referred to on page 14.

In addition, were the company to have prepared group accounts, the strategic report and the directors' report would also need to be amended.

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 qualified opinion.

Conclusions relating to going concern

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

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

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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.

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.

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

Other information

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

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 themselves. 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.

As described in the basis for qualified opinion section of our report, our audit opinion is qualified as the company is not entitled to the exemptions available from the requirement to prepare group accounts set out in the Companies Act 2006. As such, required group disclosures in both the strategic and directors' reports are omitted. Accordingly, we have concluded that the other information is materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the matter described in the basis for qualified opinion section of our report, 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

Except for the matter described in the basis for qualified opinion section of our report, 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.

STATPRO GROUP LIMITED

Responsibilities of directors

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company, the Company and sector in which they operate. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements such as: Financial Reporting Standard 101 'Reduced Disclosure Framework' applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Companies Act 2006 and taxation laws including the application of local sales and use taxes and overseas permanent establishments.
- We understood how the Company are complying with those legal and regulatory frameworks through discussion with management, those charged with governance, and from inspection of the Company's board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgments made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

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- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations through the following:
 - All team members are qualified accountants or working towards that qualification and are considered to have sufficient knowledge and experience of companies of a similar size and complexity, appropriate to their role within the team. The engagement team is required to complete mandatory training on an annual basis, thus ensuring they have sufficient knowledge. The engagement team also engaged with tax specialists to address the risk of non-compliance relating to tax legislation.
 - We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
19/1/2024

**STATPRO GROUP
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**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022	2021
		£'000	£'000
	Notes		
Revenue	2	11,846	23,700
Operating expenses	3	(20,824)	(23,530)
Operating (loss) / profit		<u>(8,978)</u>	<u>170</u>
Interest receivable and similar income	5	349	391
Interest payable and similar cost	6	(620)	(850)
Loss on ordinary activities before taxation		<u>(9,249)</u>	<u>(289)</u>
Tax credit /(charge)	7	1,207	(1,377)
Loss for the financial year		<u><u>(8,042)</u></u>	<u><u>(1,666)</u></u>

The results shown above all relate to continuing activities.

There were no other items of comprehensive income in 2021 or 2022.

The notes on pages 13 to 23 form part of these financial statements.

**STATPRO GROUP
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BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Intangible assets	9	3,320	9,204
Investments	10	47,619	47,619
Deferred tax asset	7	1,101	1,107
		<u>52,040</u>	<u>57,930</u>
Current assets			
Amounts due from group companies	11	16,770	15,252
Income tax receivable		396	396
Prepayments and accrued income		86	171
Other debtors		183	48
Cash and cash equivalents		920	208
		<u>18,355</u>	<u>16,075</u>
Current liabilities			
Trade creditors		(235)	(161)
Amounts due to group companies	12	(26,250)	(16,867)
Other creditors including tax and social security		(8)	(8)
Accruals and contract liabilities		(267)	(575)
Provisions		-	-
		<u>(26,760)</u>	<u>(17,611)</u>
Net current liabilities		<u>(8,405)</u>	<u>(1,536)</u>
Total assets less current liabilities		<u>43,635</u>	<u>56,394</u>
Non-current liabilities			
Deferred tax liability	7	(862)	(2,076)
Deferred consideration		-	(3,503)
		<u>(862)</u>	<u>(5,579)</u>
Net assets		<u>42,773</u>	<u>50,815</u>
Capital and reserves			
Called up Share Capital		27,500	27,500
Reserves		36,102	36,102
Profit and loss account		(20,829)	(12,787)
Total Equity		<u>42,773</u>	<u>50,815</u>

The notes on pages 13 to 23 form part of these financial statements.

The financial statements of StatPro Group Limited were approved by the Board of Directors on 19th January 2024 and were signed on its behalf by:



FC Winston – **DIRECTOR**

Company registered number: 02910629

**STATPRO GROUP
LIMITED**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £'000	Share Premium £'000	Capital Redemption Reserves £'000	Other Reserves £'000	Retained Earnings £'000	Total £'000
Balance at 1 January 2021	700	26,800	31	36,071	(11,121)	52,481
Loss for the year	-	-	-	-	(1,666)	(1,666)
Total comprehensive income	700	26,800	31	36,071	(12,787)	50,815
Balance at 31 December 2021	700	26,800	31	36,071	(12,787)	50,815
Loss for the year	-	-	-	-	(8,042)	(8,042)
Total comprehensive income	700	26,800	31	36,071	(20,829)	42,773
Balance at 31 December 2022	700	26,800	31	36,071	(20,829)	42,773

The notes on pages 13 to 23 form part of these financial statements.

**STATPRO GROUP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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*;
- (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*

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)

Going concern

The accounts have been prepared on a going concern basis.

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, Mandolin Technology Intermediate Holdings, Inc. Its financial results are included in the consolidated financial statements of Mandolin Technology Intermediate Holdings, Inc. which can be obtained from The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801. 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.

IFRS 9 Financial Instruments: Classification and Measurement

Cash and trade and other receivables are classified as financial assets at amortised cost in line with IFRS 9. They are initially measured at fair value and then subsequently measured at amortised cost. Classification is determined by the nature of the cash flows of the assets and the business model in which they are held. The impairment requirements are based on a forward-looking expected credit loss (ECL) model. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss, including lease receivables and any contract assets. The Company does not apply hedge accounting, nor does it hold any assets classified as fair value through profit and loss (FVTPL).

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables and loans and borrowings which are held at amortised cost. On transition, the Company recognised no adjustments.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when performance obligations have been satisfied.

The Company's revenue is generated exclusively through intercompany transactions whereby the Company receives royalty fees based on the Group's transfer pricing policy.

Research and development

Expenditure on research and development comprises salaries and related costs of personnel involved in software programming and development activities, which is recharged to StatPro Group Limited in the year in which it is incurred.

Investments

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

Intangible fixed assets

Intangible assets principally comprise of capitalised costs relating to development activities and the purchase of computer software.

Development costs are capitalised where the appropriate recognition criteria in accordance with IAS 38 are met, including the asset and related costs being separately identifiable, the use of the asset being technically feasible and intended and the asset being expected to generate future benefits. As a result, there is an intangible asset relating to capitalised development costs internally developed recognised on the Company's balance sheet where the Company expects the benefits to be recovered through incremental revenue from future sales.

Intangible assets that have a definite useful life are subject to amortisation and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

The Company reports gains and losses on disposal of intangible assets by deducting from the amount of consideration on disposal the carrying amount of the asset and related selling expenses.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies (continued)

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.

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.

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
- Impairment of intangible assets and investments

Revenue recognition - the majority of the Company's revenue comprises intercompany recharges related to licence fees and is recognised in the income statement on a monthly basis. The calculations are based on the transfer pricing policy for which judgements are made following regular reviews and benchmarking exercises.

Deferred tax recognition - the accounting policies in respect of deferred tax recognition is set out above and further details can be found in Note 7. The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

Carrying value of intangible assets and investments - intangible assets and investments are held at cost. Impairment reviews of intangible assets are carried out where there is any indication of impairment. Impairment reviews of investments are carried out annually. Management reviews the Annual Recurring Revenues, profitability and cash flows for each investment to determine whether an impairment is required.

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2. 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:

	2022	2021
	£'000	£'000
Intercompany recharges	11,846	23,700
	<u>11,846</u>	<u>23,700</u>

3. Operating profit/(loss)

	2022	2021
	£'000	£'000
Auditors' remuneration	184	163
Amortisation of intangible software	5,743	8,060
Other operating expenses	16,065	16,670
Exchange differences relating to intercompany loans	(388)	(746)
Gain on divestiture of business unit	(780)	-
Restructuring and other one-off charges	-	(617)

The audit remuneration includes FY22 audit fees including overruns of £25, FY21 overruns of £20 and FY21 group reporting fees of £15. The fees include audit fees for Statpro Limited of £51.

The divestiture relates to Delta. In 2019, the Company entered into a long-term agreement to acquire the Delta operations and technology from UBS. The Company and UBS agreed to terminate the agreement on 31 December 2022. The Company and UBS agreed to net settle the outstanding accounts receivable and accounts payable, outstanding deferred revenue and the Company will relinquish its rights to the Delta proprietary technology.

4. Staff costs and director's remuneration

a) Staff costs

There were no employees, including directors, employed by the Company during the year (2021: nil).

b) Directors' remuneration

The directors' services to the Company have been considered insignificant. Therefore, the directors did not receive any remuneration for their qualifying services for the year (2021: £nil).

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5. Interest receivable and similar income

	2022	2021
	£'000	£'000
Intercompany interest receivable	349	391
	<u>349</u>	<u>391</u>

6. Interest payable and similar cost

	2022	2021
	£'000	£'000
Intercompany interest payable	(620)	(680)
Bank and other interest payable	-	(170)
	<u>(620)</u>	<u>(850)</u>

7. Taxation

a) Tax credited in the income statement

The tax credit is made up as follows:

Deferred tax:

Origination and reversal of timing differences	1,207	(1,644)
Adjustment in respect of prior periods	-	267
Total deferred tax	<u>1,207</u>	<u>(1,377)</u>
Tax credit /(charge) in the income statement	<u><u>1,207</u></u>	<u><u>(1,377)</u></u>

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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% (2021: 19.00%). The differences are reconciled below:

	2022	2021
	£'000	£'000
Loss on ordinary activities before tax	(9,249)	(289)
Tax credit on loss before tax at standard rate of corporation tax in the UK of 19% (2021: 19%)	1,757	55
<i>Effect of:</i>		
Income not taxable for tax purposes	-	(43)
Amortisation not deductible for tax	(466)	(883)
Utilisation of tax losses	-	871
Origination of timing differences	5	-
Adjustment in respect of prior years – deferred tax	-	98
Adjust closing deferred tax to average rate of 25%	(2)	-
Deferred tax movements	1,209	(867)
Effect of change in tax rates	-	169
Group relief	(1,296)	(777)
Total tax credit /(charge) reported in the income statement	1,207	(1,377)

(c) Change in Corporation Tax Rate

From 1 April 2023, the Corporation Tax main rate for non-ring fenced profits will be increased to 25% applying to profits over £250,000. A small profits rate (SPR) will also be introduced for companies with profits of £50,000 or less so that they will continue to pay Corporation Tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

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7. Taxation (continued)

(d) Deferred Tax

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

	2022	2021
	£'000	£'000
Tax losses	1,101	1,107
Deferred tax asset	<u>1,101</u>	<u>1,107</u>
Fair value adjustment to intangible assets	862	2,076
Deferred tax liability	<u>862</u>	<u>2,076</u>

8. Dividends paid and proposed

The dividend paid in 2022 was £nil (2021: £nil).

9. Intangible fixed assets

	Goodwill	Internally Generated Development	Technology Acquired	Customer Contract Acquired	Other Intangible Costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2022	422	34,068	8,436	2,359	18,010	63,295
Additions	-	2,592	-	-	-	2,592
Divestiture of business	(422)	(8,997)	(8,436)	(2,359)	-	(20,214)
At 31 December 2022	<u>-</u>	<u>27,663</u>	<u>-</u>	<u>-</u>	<u>18,010</u>	<u>45,673</u>
Accumulated amortisation						
At 1 January 2022	-	(26,059)	(7,832)	(2,190)	(18,010)	(54,091)
Charge	-	(4,970)	(604)	(169)	-	(5,743)
Divestiture of business	-	6,687	8,436	2,359	-	17,482
At 31 December 2022	<u>-</u>	<u>(24,342)</u>	<u>-</u>	<u>-</u>	<u>(18,010)</u>	<u>(42,352)</u>
Net book value						
At 31 December 2022	<u>-</u>	<u>3,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,320</u>
At 31 December 2021	422	8,009	604	169	-	9,204

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9. Intangible fixed assets (continued)

The divestiture of business in the above note relates to Delta. The overall objective of StatPro's purchase of Delta in 2017 was to integrate Delta's technology (software) into and with the existing StatPro applications. By the end of 2022 it became clear that the project was not progressing as planned, and project Delta was abandoned and written off as at 31st December 2022.

The only remaining assets left with a net book value of £2,310 were capitalised development costs which were written off against the net settlement with the goodwill balance (£422) and deferred consideration agreed between StatPro and UBS, resulting in a gain on divestiture of business unit of £780 as shown in note 3.

10. Investments in subsidiary undertakings

	2022	2021
	£'000	£'000
Cost and net book value		
At 1 January 2022	47,619	47,619
At 31 December 2022	<u>47,619</u>	<u>47,619</u>

The Company's subsidiary undertakings, whose principal activities are the marketing and distribution of software systems, at 31 December 2022, comprise the following:

Undertaking	Registered office address	Total percentage held by the Company
Direct		
StatPro Limited	England and Wales	100%
Freedom Index Limited	England and Wales	100%
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%
Infovest Consulting (Pty) Ltd	Republic of South Africa	100%
Indirect		
StatPro France SARL	France	100%
StatPro (Deutschland) GmbH	Germany	100%
StatPro S.A.	Luxembourg	100%

Freedom Index Limited was struck off in May 2023.

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11. Amounts due from group companies

Interest on amounts due from other group companies is payable at rates between 0% and 6.5% subject to de minimis balances repayable on demand.

	2022	2021
	£'000	£'000
StatPro France SARL		615
StatPro (Deutschland) GmbH	2,074	2,797
StatPro Italia Srl	3,460	642
StatPro Australia Pty Ltd	3,021	3,185
StatPro South Africa (Pty) Ltd	3,091	3,202
Ceres Bidco Ltd	4,820	4,799
ECPI	-	4
Mandolin Technology Holdings, Inc.	-	8
Confluence Technologies Inc	304	-
	<hr/> 16,770	<hr/> 16,262

12. Amounts due to group companies

Interest on amounts due to other group companies is payable at rates between 0% and 6.5% subject to de minimis balances repayable on demand. There are cross-guarantees in place between group companies as part of the same banking arrangements.

	2022	2021
	£'000	£'000
Infovest Consulting (Pty) Ltd	927	196
StatPro France SARL	637	-
StatPro Asia	924	285
StatPro Canada Inc	5,606	6,553
StatPro Inc	3,413	1,980
StatPro Ltd	6,111	2,308
SiSoft SARL	15	19
StatPro S.A.	5,592	2,613
Confluence International Ltd	3,025	2,913
	<hr/> 26,260	<hr/> 16,867

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Called up share capital

	2022	2021
	£'000	£'000
Authorised:		
125,000,000 (2021: 125,000,000) ordinary shares of 1p each	1,250	1,250
Allotted, called up and fully paid:		
70,046,391 (2021: 70,046,391) ordinary shares of 1p each	700	700

14. 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.

15. Guarantees and securities

As at 31 December 2022, there is no debenture in place over the assets of StatPro Group Limited.

16. Events after balance sheet date

There are no subsequent events after balance sheet date.

17. Ultimate parent company and controlling party

The Company is included within the consolidated group accounts of its ultimate parent Company, Mandolin Technology Intermediate Holdings, Inc. incorporated in the United States of America which can be obtained from:

c/o CLEARLAKE CAPITAL GROUP LP
233 WILSHIRE BLVD SUITE 800
LOS ANGELES, CA 90401