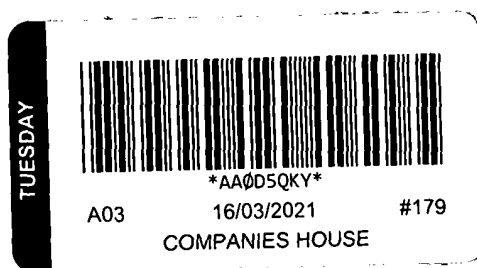


Company Registration No. 03108773 (England and Wales)

STILO TECHNOLOGY LIMITED
REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



STILO TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors	Leslie Burnham David Ashman
Secretary	One Advisory Limited
Company number	03108773
Registered office	Windmill Hill Business Park Whitehill Way Swindon Wiltshire SN5 6QR
Accountants	RSM UK Tax and Accounting Limited Chartered Accountants Fifth Floor Central Square 29 Wellington Street Leeds LS1 4DL United Kingdom

STILO TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

The directors have decided to prepare these financial statements under FRS 102, having prepared the previous financial statements under International Financial Reporting Standards ("IFRS"). The directors have considered the transitional impact when applying FRS 102 and determined that an adjustment to goodwill was required at the date of transition, 1 January 2019. Further details on this adjustment can be found in note 12 to these financial statements.

Principal activities

The principal activity of the company continued to be the provision of XML content processing technology and cloud content conversion services to major corporations.

Directors

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

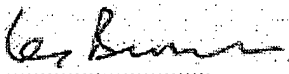
Leslie Burnham
David Ashman

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Leslie Burnham
Director

Date: 4 March 2021

STILO TECHNOLOGY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	2019 £000
Turnover	154	295
Cost of sales	(9)	(9)
	<hr/>	<hr/>
Gross profit	145	286
Administrative expenses	(143)	(516)
Other operating income	100	334
	<hr/>	<hr/>
Operating profit	102	104
Interest receivable and similar income	2	4
	<hr/>	<hr/>
Profit before taxation	104	108
Tax on profit	-	(1)
	<hr/>	<hr/>
Profit for the financial year	<u>104</u>	<u>107</u>

STILO TECHNOLOGY LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020 £000	£000	2019 (as restated) £000	£000
Fixed assets					
Goodwill	3		-		-
Current assets					
Debtors	4	406		300	
Cash at bank and in hand		529		489	
		935		789	
Creditors: amounts falling due within one year	5	(114)		(124)	
Net current assets			821		665
Creditors: amounts falling due after more than one year	6		(4,039)		(3,987)
Net liabilities			(3,218)		(3,322)
Capital and reserves					
Called up share capital	8		50		50
Share premium account	9		658		658
Capital contribution reserve	9		89		89
Profit and loss reserves	9		(4,015)		(4,119)
Total equity			(3,218)		(3,322)

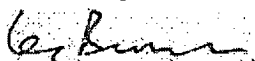
For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 4 March 2021 and are signed on its behalf by:



.....
Leslie Burnham
Director

STILO TECHNOLOGY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £000	Share premium account £000	Other reserves £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2019 (as previously reported)		50	658	88	(4,203)	(3,407)
Effect of transition to FRS 102	12	-	-	-	(23)	(23)
Balance at 1 January 2019 (as restated)		50	658	88	(4,226)	(3,430)
Year ended 31 December 2019:						
Profit for the year		-	-	-	107	107
Share-based payment transactions		-	-	1	-	1
Balance at 31 December 2019 (as restated)		50	658	89	(4,119)	(3,322)
Year ended 31 December 2020:						
Profit for the year		-	-	-	104	104
Balance at 31 December 2020		50	658	89	(4,015)	(3,218)

STILO TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Stilo Technology Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, SN5 6QR.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. The previous financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). Further details of the impact of transition are shown in note 12.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, and taking into account the effects of the pandemic, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Stilo International Limited, the parent company, has undertaken to provide or procure the provision of such financial assistance as will enable the company to meet its liabilities incurred in the ordinary course of business for a minimum period of at least one year from the date of approval of these financial statements.

Turnover

Revenue represents the fair value of goods and services supplied and is stated net of value added tax. Revenue is measured based on the consideration specified in a contract with a customer. Revenue is recognised by the company when it transfers control over a product or service to a customer. Revenues consist of cloud services, software and software maintenance, and consulting. Initial contract periods are usually either 12 months with no automatic renewal or are in effect in perpetuity.

Revenue from the sale of cloud based Migrate software licences and related conversion credit sales are considered interdependent and are recognised as a single performance obligation and recognised over the term of the licence. Consideration related to the conversion credits is allocated to the performance obligation when purchased.

Revenue from the sale of OmniMark software licences is recognised when the customer is able to take possession of the software. This is because the software is functional at the time the licence transfers to the customer and the company is not required or expected to undertake activities that significantly affect the utility of the intellectual property by the customer.

Revenue from software maintenance is deferred and then recognised over the period to which it relates. The company uses a time based method to measure the percentage of completion when services span two reporting periods.

Software maintenance and other professional services are not usually bundled into a contract and are agreed separately. Revenue from these services is recognised over the period of service and measured using a time based method.

STILO TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	20% per annum
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	33.3% per annum
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, and bank overdrafts (where applicable).

STILO TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

STILO TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2019 - 4).

STILO TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Intangible fixed assets

	Goodwill £000	Other £000	Total £000
Cost			
At 1 January 2020 and 31 December 2020	50	223	273
Amortisation and impairment			
At 1 January 2020 (as restated) and 31 December 2020	50	223	273
Carrying amount			
At 31 December 2020	-	-	-
At 31 December 2019 (as restated)	-	-	-

An adjustment has been made to the carrying amount of goodwill following the adoption of FRS 102 from 1 January 2019. Full details of this adjustment are disclosed in note 12 of these financial statements.

4 Debtors

	2020 £000	2019 £000
Amounts falling due within one year:		
Trade debtors	42	47
Amounts owed by group undertakings	357	251
Other debtors	7	2
	406	300

5 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	32	13
Corporation tax	-	1
Other taxation and social security	-	2
Other creditors	82	108
	114	124

6 Creditors: amounts falling due after more than one year

	2020 £000	2019 £000
Amounts owed to group undertakings	4,039	3,987

STILO TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Retirement benefit schemes

	2020	2019
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	5	17

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £nil (2019 - £nil) were payable to the scheme at the end of the year and are included in creditors.

8 Called up share capital

	2020	2019
	£000	£000
Ordinary share capital		
Issued and fully paid		
351,940 ordinary shares of 10p each	35	35
148,060 ordinary A shares of 10p each	15	15
	50	50

9 Reserves

Share premium account

Represents amounts subscribed for share capital in excess of nominal value, net of directly attributable share issue costs.

Capital contribution reserve

Recognises capital contributions to the equity of the company by the parent, such as share based payments in relation to shares granted to employees of the company by the parent.

Retained earnings

Retained earnings represent the accumulated retained profits and losses.

11 Parent company

The largest group in which the company's results are consolidated, and the company's controlling party, is that headed by Stilo International Limited, whose principal place of business and registered office is Windmill Hill Business Park, Whitehill Way, Swindon, SN5 6QR.

STILO TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Effect of transition to FRS 102

The previous financial statements of the company were prepared in accordance with International Financial Reporting Standard ("IFRS"). These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), with the provisions of FRS 102 applied retrospectively as at 1 January 2019 (the "transition date") and any cumulative effect recognised against opening retained earnings at this date.

Under the provisions of IFRS, the directors had elected not to amortise separately acquired goodwill. Under the provisions of FRS 102, goodwill must be amortised over the directors' best estimate of its useful life, up to a maximum of 10 years. Retrospectively applying a maximum useful life of 10 years to the goodwill at the date of acquisition results in a cumulative amortisation charge of £23,000 at the transition date, which has been recognised as an adjustment to opening retained earnings.

The directors have identified no other adjustments which are required in respect of the transition to FRS 102.