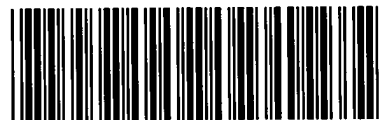


**OSMO DATA TECHNOLOGY LIMITED**

**ANNUAL REPORT**  
**for the year ended 31 December 2017**

Registration number: 04956103

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**DIRECTORS' REPORT**

for the year ended 31 December 2017

The Directors present their report and the audited financial statements of Osmo Data Technology Limited (the "Company") for the year ended 31 December 2017.

The Company's registered number is 04956103. The registered office is Magna House, 18-32 London Road, Staines-upon-Thames TW18 4BP.

The Company has adopted Financial Reporting Standards 101, 'Reduced Disclosure Framework' ("FRS 101") in preparing these financial statements.

**Principal activities**

The principal activity of the Company continued to be the provision of data extraction software solutions consultancy services. Details of the results are set out in the Statement of Comprehensive Income on page 5.

**Results for the year and future developments**

Details of the results are set out in the Statement of Comprehensive Income on page 5.

The profit for the financial year is £163,012 (2016: loss £53,610). The Directors do not recommend the payment of a dividend (2016: £nil). Details of the future developments of the Company are included in the Strategic Report.

On 3 April 2017 the Company was acquired by Tax Computer Systems Limited, part of the Tax Systems plc group. This change will give the Company access to wider resources and help future development of the Company's products and services.

**Financial risk management**

The Company's activities expose it to a variety of financial risks:

**(a) Credit risk**

Credit risk arises principally from the Company's trade receivables and cash and cash equivalents. It is the risk that the counterparty fails to discharge its obligation in respect of the instruments.

*Trade receivables*

The nature of the Company's operations means that most of its current key customers are large corporations and accountancy firms. The credit risks are minimised due to the nature of these customers. The Tax Systems Group continually reviews its credit risk policy, taking particular account of future exposure to developing markets and associated changes in customers' credit risk profiles.

The carrying amount in the balance sheet, net of any applicable provisions for loss, represents the amount exposed to credit risk and hence there is no difference between the carrying amount and the maximum credit risk exposure.

*Cash and cash equivalents*

The Board formulates the Tax Systems Group's treasury policy and its objectives which are designed to manage the group's risk and secure cost-effective funding for the group's operations, including the Company. These objectives include the requirement to minimise risk on investment funds but maintain flexibility.

**(b) Liquidity risk**

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company has sufficient funding to meet its financial obligations as they fall due.

**(d) Foreign exchange risk**

The Company's main exposure to foreign exchange risk arises from the US Dollar. The level of risk is reviewed regularly throughout the year. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities.

**Directors' indemnities**

During the year and at the date of approval of these financial statements, the Company has maintained liability insurance in respect of its Directors and Officers. Further, subject to the provisions of the Companies Act 2006, the Company's Articles of Association provide that the Directors are entitled to be indemnified against certain liabilities incurred in the execution of discharge of his or her duties.

#### Directors

The Directors who served during the year and up to date of signing the financial statements were as follows:

G Lyons	(appointed 3 April 2017)
K Goggin	(appointed 3 April 2017)
C Chadwick	(resigned 3 April 2017)
O Chadwick	(resigned 3 April 2017)
I Coburn	(resigned 3 April 2017)
M Heritage	(resigned 3 April 2017)
G Sewell	(resigned 3 April 2017)
J Thornton	(resigned 3 April 2017)

#### Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

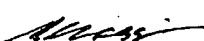
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

#### Re-appointment of Independent Auditors

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. The auditors Crowe U.K. LLP, have indicated their willingness to continue and a resolution that they be reappointed was passed at a meeting of the Board of Directors.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



K P Goggin  
Director  
18 July 2018

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**Opinion**

We have audited the financial statements of Osmo Data Technology Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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".

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We 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.

**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.

(continued)

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our 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.

**Responsibilities of directors**


As explained more fully in the directors' responsibilities statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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



Stephen Bullock (Senior Statutory Auditor)  
for and on behalf of Crowe U.K. LLP  
Chartered Accountants and Statutory Auditors  
London

18 July 2018

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2017

	Note	2017 £	2016 £
Revenue	4	1,339,334	1,162,513
Cost of sales		(10,019)	(40,418)
Gross profit		1,329,315	1,122,095
Administrative expenses		(1,301,139)	(1,260,810)
Other income		-	1,500
<b>Operating profit/(loss)</b>		<b>28,176</b>	<b>(137,215)</b>
Finance income	6	12	457
<b>Profit/(loss) on ordinary activities before income tax</b>	5	<b>28,188</b>	<b>(136,758)</b>
Income tax credit on ordinary activities	8	134,824	83,148
<b>Profit/(loss) for the financial year</b>		<b>163,012</b>	<b>(53,610)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(expense) for the financial year</b>		<b>163,012</b>	<b>(53,610)</b>

All amounts derive from continuing operations.

There is no difference between the profit/(loss) on ordinary activities before income tax and the total comprehensive income/(expense) for the financial year stated above and their historical cost equivalents.

**STATEMENT OF FINANCIAL POSITION**  
 as at 31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Property, plant and equipment	9	8,504	28,444
Investments in subsidiaries	10	-	100
Deferred tax assets	14	2,579	-
		<b>11,083</b>	<b>28,544</b>
<b>Current assets</b>			
Trade and other receivables	12	362,493	212,725
Cash and cash equivalents		815,680	180,408
		<b>1,178,173</b>	<b>393,133</b>
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	13	(794,213)	(207,084)
<b>Net current assets</b>		<b>383,960</b>	<b>186,049</b>
<b>Total assets less current liabilities</b>		<b>395,043</b>	<b>214,593</b>
<b>Net assets</b>		<b>377,605</b>	<b>214,593</b>
<b>Equity</b>			
Called up share capital	17	147,195	147,195
Share premium account		816,490	816,490
Other reserves		11,666	11,666
Accumulated losses		(597,746)	(760,758)
<b>Total shareholders' funds</b>		<b>377,605</b>	<b>214,593</b>

The notes on pages 8 to 16 are an integral part of these financial statements.

The financial statements on pages 5 to 16 were approved by the Board of Directors on 18 July 2018 and signed on its behalf by:



**K P Goggin**  
 Director

Osmo Data Technology Limited  
 Registered number: 04956103

18 July 2018

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2017

		Called up share capital £	Share premium account £	Other reserves £	Accumulated profits £	Total shareholders' funds £
As at 1 January 2015		127,159	615,577	11,666	(707,148)	47,254
Loss for the financial year and total comprehensive expense		-	-	-	(53,610)	(53,610)
Issue of share capital	17	20,036	200,913	-	-	220,949
<b>As at 31 December 2016</b>		<b>147,195</b>	<b>816,490</b>	<b>11,666</b>	<b>(760,758)</b>	<b>214,593</b>
As at 1 January 2016		147,195	816,490	11,666	(760,758)	214,593
Profit for the financial year and total comprehensive income		-	-	-	163,012	163,012
<b>As at 31 December 2017</b>		<b>147,195</b>	<b>816,490</b>	<b>11,666</b>	<b>(597,746)</b>	<b>377,605</b>

All equity is attributable to the owners of the Company.

Other reserves represent a capital redemption reserve relating to amounts previously paid for the buy back of the Company's own shares.



## 1 General information

Osmo Data Technology Limited is a private limited company and is incorporated and domiciled in the United Kingdom. The address of its registered office is Magna House, 18-32 London Road, Staines-upon-Thames TW18 4BP.

The principal activity of the Company is the provision of corporation tax software licence contracts and consultancy services. These financial statements are presented in pounds sterling, which is the functional currency. Items within the financial statements are rounded to the nearest pound.

## 2 Summary of significant accounting policies

The Company has adopted Financial Reporting Standards 101, 'Reduced Disclosure Framework' (FRS 101) in the preparation of these financial statements. There has been no impact to the comparative information resulting from the transition from FRS 102. Therefore a reconciliation has not been presented for equity and profit and loss between FRS 101 and FRS 102. None of the mandatory exceptions or optional exemptions from full retrospective application of IFRS were applicable to the Company.

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

### 2.1 Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The comparative amounts as at 31 December 2016 and for the year then ended are unaudited.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company has reviewed the way that it accounts for revenue from contracts with customers and has early adopted the new reporting standard on revenue recognition, IFRS 15 'Revenue from Contracts with Customers' ("IFRS 15"). The application of this standard has resulted in no change to the results for the current and the prior financial years nor the Statements of Financial Position at 31 December 2017 and 31 December 2016.

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

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;

- The following paragraphs of IAS 1, 'Presentation of financial statements':

- 10(d), (statement of cash flows),
- 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
- 16 (statement of compliance with all IFRS),
- 38A (requirement for minimum of two primary statements, including cash flow statements),
- 38B-D (additional comparative information),
- 40A-D (requirements for a third statement of financial position),
- 111 (cash flow statement information), and
- 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 31 December 2017

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**2 Summary of significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

**2.2 Changes in accounting policy and disclosures**

*New and amended standards adopted by the Company:*

The Company has adopted Financial Reporting Standards 101, 'Reduced Disclosure Framework' (FRS 101) in the preparation of these financial statements. There were no new or amended standards adopted by the Company during the financial year that have had a material impact on these financial statements.

The Company has reviewed the way that it accounts for revenue from contracts with customers and has early adopted the new reporting standard on revenue recognition, IFRS 15 'Revenue from Contracts with Customers' ("IFRS 15"). The application of this standard has resulted in no change to the results for the current and the prior financial years nor the Statements of Financial Position at 31 December 2017 and 31 December 2016.

**2.3 Consolidation**

The Company is a wholly-owned subsidiary of Tax Systems plc and is included in the consolidated financial statements of Tax Systems plc which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements are separate financial statements.

**2.4 Foreign currency translation**

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within administrative expenses.

**2.5 Revenue recognition**

Revenue comprises the fair value of consideration received and receivable for the sale of goods and services provided to customers, net of discounts and value added taxes. Revenue is disaggregated into revenue from the sale of licenced software solutions and revenue from professional services.

**Revenue from licenced software solutions**

Customers predominantly enter into software licences to use the Company's software products. Software licenses are contractual arrangements whereby the customer purchases the right to continuously exploit the licenced functionality of the Company's products, including the right to be kept continuously updated and supported by the Company, over a fixed term of predominantly, 12 months. Revenue from software licences is recognised evenly over the period of the licences.

**2 Summary of significant accounting policies (continued)****2.5 Revenue recognition (continued)****Revenue from professional services**

The Company derives revenues from the sale of professional services separate to licensed software solutions. The most significant components of professional services revenues are currently derived from projects involving implementation and installation management and the provision of technical support. Contracts with customers for the sale of professional services are predominantly of a short duration and have specific outcomes which the Company considers to comprise its performance obligations. Contracts for the sale of professional services can be contracted on a time and materials or fixed fee basis. Revenue from both types of contract are recognised on fulfilment of the relevant performance obligation and are invoiced on the agreed basis.

Amounts which meet the Company's revenue recognition policy which have not yet been invoiced are accounted for as accrued income whereas amounts invoiced which have not met the Company's revenue recognition criteria are deferred and are accounted for as deferred income until such time as the revenue can be recognised. Management makes an assessment of the certainty of any accrued revenue amounts in determining how much revenue to recognise.

**2.6 Investments in subsidiaries**

Investments in subsidiary undertakings are stated at cost plus incidental expenses less provision for any impairment in value. Impairment reviews are performed by the Directors when an indication of potential impairment has been identified. The Company's only subsidiary was struck off of during the year.

**2.7 Property, plant and equipment**

Property, plant and equipment are stated at their purchase cost, together with any incidental costs of acquisition less accumulated depreciation and, where appropriate, provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Incidental costs of acquisition include expenditure directly attributable to the acquisition of the items.

Depreciation is calculated so as to write off the cost of property, plant and equipment, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned.

The principal annual rates used for this purpose are:

	Estimated useful lives
Fixtures and fittings	4 years
Computer equipment	3 - 4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses or other operating income, in the profit and loss account.

**2.8 Trade receivables**

Trade receivables are initially recognised at fair value and subsequently held at amortised cost using the effective interest rate method. Trade receivables with standard payment terms of 30 days are recognised and carried at the lower of their original invoiced or recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full, the amount of the provision being the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Balances are written off when the probability of recovery is assessed as being remote.

**2.9 Cash and cash equivalents**

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

**2 Summary of significant accounting policies (continued)****2.9 Trade payables**

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.10 Current and deferred income tax**

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not provided on the initial recognition of an asset or liability in a transaction, other than a business combination, if at the time of the transaction there is no effect on either accounting or taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset or liability is released or settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Company intends to settle current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the profit and loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.11 Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease. The Company does not hold any assets under finance leases.

**2.12 Share Capital**

Ordinary shares are classified as equity at nominal value.

**3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires the Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

In the process of applying the Company's accounting policies, management has made a number of judgements and estimations, of which the following are deemed to have the most significant effect on amounts recognised in the financial statements:

**3 Critical accounting judgements and key sources of estimation uncertainty (continued)****3.1 Judgements****Revenue**

The sale of the software licence itself is not considered distinct from the provision of access and the provision of continuous software upgrades and support are not considered to be separate performance obligations. The Company's software licenses are therefore considered to be right of access arrangements for a period of time. Since control of goods and services is transferred to customers over time the Company considers that the delivery of access to the software product constitutes a single performance obligation satisfied over time. Revenue for professional services is recognised when the right to consideration is earned as each project progresses. Provisions against accrued income are made as and when management becomes aware of objective evidence that the amount of time worked will not be recoverable in full.

**Impairment of assets**

Accounting standards require management to undertake an annual test for impairment of assets with indefinite lives, including goodwill and, for assets with finite lives, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the fair value less costs to sell or net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of growth and discount rates. Changing the assumptions selected by management could significantly affect the Company's impairment evaluation and, hence, results. The Company's review includes the key assumptions related to sensitivity in the cash flow projections.

**3.2 Accounting estimates****Revenue**

Management has made estimates in measuring revenue from professional services including the point at which the right to consideration is earned as each project progresses and provisions required against accrued income as and when management becomes aware of objective evidence that the amount of time worked will not be recoverable in full.

**4 Revenue**

All revenue was generated from the Company's principal activity in the UK, which is the provision of data extraction software and consultancy services.

**5 Profit/(loss) on ordinary activities before income tax**

The profit/(loss) on ordinary activities before income tax is stated after charging:	2017	2016
	£	£
Depreciation of property, plant and equipment - owned	9,134	7,913
Operating lease charges - land and buildings	68,435	68,435

Remuneration paid to the Company's auditors is as follows:	2017	2016
	£	£
Audit of the Company	5,000	-

The audit fee for the current year above was borne by another group undertaking.

**6 Finance costs and finance income**

	2017	2016
Finance Income	£	£
Interest income on short term deposits	12	457
	12	457

**7 Employee costs**

	2017 £	2016 £
Wages and salaries	678,427	732,619
Social security costs	67,070	80,563
Other pension costs (note 16)	117,128	108,343
	<b>862,625</b>	<b>921,525</b>
	2017 Number	2016 Number
Monthly average number of employees (including directors)		
Management and administration	2	2
Sales and technical	13	13
	<b>15</b>	<b>15</b>
	2017 £	2016 £
Directors' emoluments		
Aggregate emoluments	82,659	260,308
Pension contributions	16,890	77,824
	<b>99,549</b>	<b>338,132</b>
	Number	Number
Number of directors in company pension schemes:		
Money purchase schemes	2	3

From 3 April 2017, aggregate remuneration of the Directors was borne by Tax Computer Systems Limited and their total emoluments are included in the Directors' emoluments disclosed in the financial statements of other Tax Systems plc companies.

**8 Income tax credit on ordinary activities**

	2017 £	2016 £
UK corporation tax	-	(83,385)
Adjustments in respect of prior years	(132,245)	237
Total UK tax credit for the year	(132,245)	(83,148)
Deferred tax	(2,579)	-
Total tax credit for the year	<b>(134,824)</b>	<b>(83,148)</b>

*Reconciliation of effective tax rate:*

	2017 £	2016 £
Profit/(loss) on ordinary activities before income tax	28,188	(136,758)
Tax at 19.25% (2016:- 20.00%) thereon	5,426	(27,352)
Effects of:		
Tax losses for which a deferred tax asset has not been recognised	(20,588)	27,352
Research and development costs	-	(83,385)
Remeasurement of deferred tax for changes in tax rates	(2,385)	-
Adjustments in respect of prior years	(117,277)	237
Total tax credit for the year	<b>(134,824)</b>	<b>(83,148)</b>

Changes to the UK corporation tax rates include reductions to the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. As these changes had been substantively enacted at the balance sheet date their effects are included in these financial statements.

**9 Property, plant and equipment**

	Leasehold improvements £	Office equipment £	Total £
<b>Cost</b>			
As at 1 January 2016	6,166	124,326	130,492
Additions	-	530	530
Disposals	-	(108,707)	(108,707)
As at 31 December 2017	6,166	16,149	22,315
<b>Accumulated depreciation and impairment</b>			
As at 1 January 2016	462	101,586	102,048
Charge	2,085	7,049	9,134
Disposals	-	(97,371)	(97,371)
As at 31 December 2017	2,547	11,264	13,811
<b>Net book value</b>			
As at 31 December 2017	3,619	4,885	8,504
As at 31 December 2016	5,704	22,740	28,444

Fully depreciated assets have been treated as disposals as they have no residual value.

**10 Investments in subsidiaries**

	£
<b>Cost and net book value</b>	
As at 1 January 2016	100
Disposal	(100)
As at 31 December 2017	-

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid, and this cost is tested periodically for impairment. Vision Critical Limited, a dormant company incorporated in the UK, was wholly owned at 31 December 2016 and was struck off during the year. As a result, the investment has been treated as a disposal.

**12 Trade and other receivables**

	2017 £	2016 £
Trade debtors	152,574	61,076
Amounts owed by group undertakings	40,029	-
Corporation tax asset	132,245	82,827
Other debtors	-	558
Prepayments and accrued income	37,645	68,264
<b>Total trade and other receivables due within one year</b>	<b>362,493</b>	<b>212,725</b>

Amounts owed by group undertakings are non-interest bearing loans and are repayable on demand.

**13 Creditors: amounts falling due within one year**

	2017	2016
	£	£
Trade creditors	9,922	12,177
Amounts owed to group undertakings	77,755	-
Other taxes and social security	111,477	33,009
Other creditors	-	3,482
Accruals and deferred income	595,059	158,416
	<b>794,213</b>	<b>207,084</b>

Amounts owed to group undertakings are non-interest bearing loans and are repayable on demand.

**14 Deferred tax**

	Tangible fixed assets 2017	Tangible fixed assets 2016
	£	£
Movement in deferred income tax assets is as follows:		
As at 1 January	-	-
Recognised through profit or loss	2,579	-
As at 31 December	<b>2,579</b>	<b>-</b>

**15 Provisions for liabilities**

	Property dilapidations £	Total £
As at 1 January 2016	-	-
Additional provision	17,438	17,438
As at 31 December 2017	<b>17,438</b>	<b>17,438</b>

	31 December 2017	31 December 2016
	£	£
Due within one year	-	-
Due after more than one year	<b>17,438</b>	<b>-</b>

Provisions relate to dilapidation charges. The timing of the cash flows associated with these provisions is dependent on the timing of lease agreement termination.

**16 Pension scheme**

The Company participates in a defined contribution scheme. The pension cost for the year ended 31 December 2017 was £117,128 (2016: £108,343). The balance of accrued pensions at 31 December 2017 was £nil (2016: £nil).



**17 Called up share capital**

	2017 £	2016 £
Allotted, called up and fully paid		
147,195 Ordinary shares of £1 each (2016: 147,195 Ordinary shares of £1)	<b>147,195</b>	147,195
	<b>147,195</b>	147,195

On 21 March 2016 the Company issued 625 Ordinary shares of £1 each at £40 per share. During 2016, 1,671 options were exercised at £12 per share and 237 share options were exercised at £10 per share. Warrants were also exercised during 2016 as follows: 8,447 at £12 per share, 7,359 at £7.50 per share and 1,697 at £10 per share.

**18 Related party transactions**

The Company is a wholly owned subsidiary of Tax Systems plc and has taken advantage of the exemption contained in IAS 24 'Related-party disclosures'. It has therefore not disclosed transactions or balances with other entities within the Tax Systems Group which are also wholly owned.

**19 Ultimate parent company and controlling party**

The immediate parent company undertaking is Tax Systems Holdings Limited, which is itself a wholly owned subsidiary of Tax Systems plc. The ultimate parent company and controlling party, and the smallest and largest group for which group financial statements are prepared is Tax Systems plc, a company incorporated in England and Wales, the financial statements of which can be obtained from the Registered Office, Magna House, 18-32 London Road, Staines-upon-Thames TW18 4BP.

**20 Commitments and contingencies**

The Company leases its office premises under a non-cancellable operating lease agreement. The Company had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Within one year	<b>68,435</b>	68,435
Within two to five years	<b>146,056</b>	205,302
	<b>214,491</b>	273,737

The Company had no capital commitments at the end of the year (2016: £nil) for capital expenditure contracted for but not provided for in the financial statements.