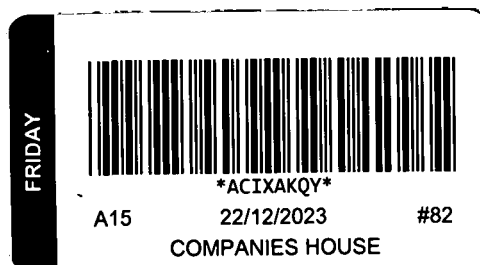


Registered number: 07446276

ANCILE SOLUTIONS LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



ANCILE SOLUTIONS LTD

COMPANY INFORMATION

Directors	E Grosogeat M T Ulrich
Company secretary	Vistra Company Secretaries Limited
Registered number	07446276
Registered office	Suite 1 7th Floor 50 Broadway London United Kingdom SW1H 0BL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor First Floor One Valpy 20 Valpy Street Reading Berkshire RG1 1AR

ANCILE SOLUTIONS LTD

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ANCILE SOLUTIONS LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Principal activity

The Company's principal activity is that of providing learning and performance software solutions.

During the financial period the Company traded in Australia through branch operations, in addition to its UK based operations. During 2021, ANCILE elected to discontinue operations in Singapore as the new sales generated by the single employee was not commensurate with the cost to maintain the branch.

Results and dividends

The profit for the year, after taxation, amounted to £91,854 (2021: £74,531).

No dividends were paid or received during the year (2021: £Nil).

Directors

The directors who served during the year and after year end were:

E Grosogeat
S Palmer (resigned 31 October 2023)
M T Ulrich (appointed 16 August 2022)

Directors' Responsibilities Statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 judgments 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; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ANCILE SOLUTIONS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Going concern

The directors have discussed the future direction of the Company with the directors of the Company's ultimate parent, ANCILE Solutions Inc., and concluded that there is no intention to discontinue the operations of the Company for the foreseeable future. The uncertainty as to the impact of the current macro-economic environment on the Company has also been considered as part of the adoption of the going concern basis.

Given the Company's operations it is reliant upon ANCILE Solutions Inc for ongoing support and has received a letter of support to confirm this covering a period of at least 12 months from date of approval of the financial statements.

On the basis of their assessment of the Company's financial position and the enquiries made of the directors of ANCILE Solutions Inc., the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements, and therefore continues to prepare the financial statements on the going concern basis.

Qualifying third party indemnity provisions

During the year, and at the date of this report, the Company has in place qualifying third party indemnity provisions for the benefit of the directors.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors 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.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 18/12/2023 and signed on its behalf.

Matthew Ulrich

M T Ulrich
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCILE SOLUTIONS LTD

Opinion

We have audited the financial statements of Ancile Solutions Ltd (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

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 such as COVID-19, the crisis in Ukraine and the cost of living crisis including inflation, we assessed and challenged assumptions 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCILE SOLUTIONS LTD (CONTINUED)

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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCILE SOLUTIONS LTD (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, set out on page 1, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCILE SOLUTIONS LTD (CONTINUED)

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 and determined that the following laws and regulations were most significant: Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006 as well as relevant tax legislation.
- How we assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud.
- Our audit procedures also involved gaining understanding of the relevant controls that management has in place to prevent and detect fraud and journal entry testing, with a focus on large and unusual transactions formed from the understanding build around the business we challenged assumptions and judgement made by management and identified and tested related party transactions, enquiring with management whether they were aware of any instances of non-compliance with laws and regulations and if they had any knowledge of actual, suspected or alleged fraud.
- 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.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCILE SOLUTIONS LTD (CONTINUED)

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.

Grant Thornton UK LLP

Steven Cenci FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date: 18/12/2023

ANCILE SOLUTIONS LTD

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover		885,609	1,007,423
Cost of sales		(169,760)	(201,989)
Gross profit		715,849	805,434
Administrative expenses		(606,118)	(716,529)
Operating profit	5	109,731	88,905
Interest receivable and similar income		279	9
Profit before tax		110,010	88,914
Tax on profit	7	(18,156)	(14,383)
Profit after tax		91,854	74,531
Retained earnings at the beginning of the year		1,204,201	1,129,670
Dividend distribution	15	(176,047)	-
Profit for the year		91,854	74,531
Retained earnings at the end of the year		1,120,008	1,204,201

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 10 to 18 form part of these financial statements.

ANCILE SOLUTIONS LTD
REGISTERED NUMBER:07446276

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Current assets			
Debtors: amounts falling due within one year	8	1,182,072	1,214,854
Cash at bank and in hand		152,215	140,743
		<u>1,334,287</u>	<u>1,355,597</u>
Creditors: amounts falling due within one year	9	(214,179)	(151,296)
Net current assets		<u>1,120,108</u>	<u>1,204,301</u>
Total assets less current liabilities		<u>1,120,108</u>	<u>1,204,301</u>
Net assets		<u><u>1,120,108</u></u>	<u><u>1,204,301</u></u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		1,120,008	1,204,201
		<u><u>1,120,108</u></u>	<u><u>1,204,301</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18/12/2023

Matthew Ulrich

M T Ulrich
 Director

The notes on pages 10 to 18 form part of these financial statements.

ANCILE SOLUTIONS LTD

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

1. General information

ANCILE Solutions Limited (the Company") is a private company limited by shares and registered in England and Wales. Registered number 07446276. Its registered head office is located at Suite 1, 7th Floor 50 Broadway, London, United Kingdom, SW1H 0BL.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

The following principal accounting policies have been applied:

2.2 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

ANCILE SOLUTIONS LTD

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

2. Accounting policies (continued)**2.3 Going concern**

The directors have discussed the future direction of the Company with the directors of the Company's ultimate parent, ANCILE Solutions Inc., and concluded that there is no intention to discontinue the operations of the Company for the foreseeable future. The uncertainty as to the impact of the current macro-economic environment on the Company has also been considered as part of the adoption of the going concern basis.

Given the Company's operations it is reliant upon ANCILE Solutions Inc for ongoing support and has received a letter of support to confirm this covering a period of at least 12 months from date of approval of the financial statements.

On the basis of their assessment of the Company's financial position and the enquiries made of the directors of ANCILE Solutions Inc., the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements, and therefore continues to prepare the financial statements on the going concern basis.

2.4 Turnover

The Company provides services within specific contracted regions on behalf of its ultimate parent, ANCILE Solutions Inc.. The Company is remunerated by its parent for these services. The total turnover of the Company for the period has been derived from its principal activity undertaken in the UK, Europe and Asia.

Intercompany revenue is based on a cost plus services agreement with its parent and is recognised at cost plus 12.5% from the UK, and 10% for the Australia branch.

Depending on the facts and circumstances, external revenue is either recognized when the relevant services are completely delivered to third parties or based on hours completed. At the end of the annual reporting period, if the relevant services are not completely delivered, revenue is recognized to the extent of the expenses recognized, all of which are probable to be recovered (FRS 102 23.16).

All revenue is recognised net of VAT and other taxes.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

ANCILE SOLUTIONS LTD

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

2. Accounting policies (continued)**2.7 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ANCILE SOLUTIONS LTD

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

2. Accounting policies (continued)**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably; and
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

ANCILE SOLUTIONS LTD

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

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements requires management to make estimates and assumptions. These affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

a. Critical judgements in applying the entity's accounting policies

There are no critical judgements that were made in applying the entity's accounting policies.

b. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management has assessed the estimates and assumptions made in the financial statements and do not believe there is a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £26,875 (2021: £20,800). Fee for non-audit services totalled £6,079 (2021: £11,535).

5. Operating profit

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
(Gain)/loss on foreign exchange	(25,736)	30,982

6. Employees

The average monthly number of employees, including directors, during the year was 4 (2021: 6).

The directors are also directors or officers of other companies within the Ancile Solutions INC. group. The directors' services to the Company do not occupy a significant amount of their time. As such these directors do not consider that they receive any remuneration for their incidental services to the Company for the year ended 31 December 2022 and 31 December 2021.

ANCILE SOLUTIONS LTD

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

7. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	21,201	17,040
Adjustments in respect of previous periods	1,610	(2,657)
Double taxation relief	(4,655)	-
Total current tax	<u>18,156</u>	<u>14,383</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>18,156</u>	<u>14,383</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: *lower than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>110,010</u>	<u>88,914</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	20,902	16,894
Effects of:		
Expenses not deductible for tax purposes	277	204
Foreign tax credits	(4,655)	-
Adjustments to tax charge in respect of prior periods	1,610	(2,657)
Remeasurement of deferred tax for changes in tax rates	(8)	(94)
Movement in deferred tax not recognised	30	36
Total tax charge for the year	<u>18,156</u>	<u>14,383</u>

ANCILE SOLUTIONS LTD

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

7. Taxation (continued)

Factors that may affect future tax charges

In the UK budget on 15 March 2021, the Chancellor announced that the rate of corporation tax in the UK would increase from its current level of 19% to 25% with effect from 1 April 2023. The rate will remain at 19% until that date. The amendment was enacted by Parliament on 24 May 2021 and received Royal Assent on 10 June 2021 and will increase the amount of corporation tax payable in the future.

8. Debtors

	2022	2021
	£	£
Trade debtors	8,288	7,556
Amounts owed by group undertakings	1,163,854	1,199,001
Other debtors	5,413	3,246
Prepayments and accrued income	4,517	5,051
	<u>1,182,072</u>	<u>1,214,854</u>

Trade debtors are stated after provisions for impairment of £Nil (2021: £Nil).

The amounts owed by group undertaking as due on demand and carry no interest.

9. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	416	-
Corporation tax	6,829	35,251
Other taxation and social security	4,744	4,519
Accruals and deferred income	202,190	111,526
	<u>214,179</u>	<u>151,296</u>

ANCILE SOLUTIONS LTD

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

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100 (2021: 100) ordinary shares of £1.00 each	100	100

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

11. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £21,326 (2021: £31,793). Contributions totalling £4,744 (2021: £4,519) were payable to the fund at the reporting date and are included in creditors.

12. Related party transactions

During the year, the Company made sales of £811,758 (2021: £945,529) and purchases of £2,166 (2021: £1,731) to and from ANCILE Solutions, Inc.; which is the parent of the Company.

The sales related to the recharge of costs under the transfer pricing agreement between the two companies.

The balance outstanding owed by ANCILE Solutions inc at the year end was £1,163,769 (2021: £1,197,332).

During the year, the Company made sales of £3,505 (2021: £10,418) and purchases of £Nil (2021: £373) from ANCILE Solutions, GmbH, a company that is also a wholly owned subsidiary of ANCILE Solutions, Inc.

This related to the recharge of costs and transfers of intercompany consultant revenue.

The balance outstanding owed to Ancile Solutions GmbH at the year end was £85 (2021: £1,669).

13. Post balance sheet events

There are no significant post balance sheet events to report.

14. Controlling party

The ultimate parent and controlling party is ANCILE Solutions Inc., a company incorporated in United States of America, by virtue of its 100% shareholding to the Company.

ANCILE Solutions Inc., is the largest and smallest group from which group accounts can be obtained from ANCILE Solutions, Inc., 6085 Marshalee Drive, Elkridge, MD 21075.

ANCILE SOLUTIONS LTD

**NOTES TO THE FINANCIAL STATEMENTS
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15. Dividend distribution

Singapore branch operations was discontinued resulting in a dividend distribution during the current year of £176,047. This was due to a waiver of an intercompany balance owed by the holding company Ancile Solutions Inc.