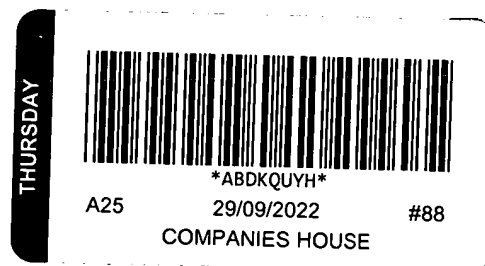


Registration number: 07450958

4C EUROPE UK LIMITED
FILLETED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



4C EUROPE UK LIMITED

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4C EUROPE UK LIMITED

COMPANY INFORMATION

Directors

S M Bergqvist
H A Hedskog
J Jonsson

Registered office

Nova North
11 Bressenden Place
London
SW1E 5BY

**Independent
Auditor**

Harmer Slater Limited
Statutory Auditor
Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA

4C EUROPE UK LIMITED

(REGISTRATION NUMBER: 07450958) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Non-current assets			
Property, plant and equipment	4	22,270	14,165
Current assets			
Receivables	5	4,916,431	2,826,279
Cash at bank and in hand	6	920,749	649,004
		5,837,180	3,475,283
Payables: Amounts falling due within one year	7	(4,900,065)	(2,842,807)
Net current assets		937,115	632,476
Net assets		959,385	646,641
Equity			
Called up share capital	9	1	1
Retained earnings	9	959,384	646,640
Total equity		959,385	646,641

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Income statement has been taken.

These financial statements were approved and authorised for issue by the Board on 11 May 2022 and signed on its behalf by:

.....
J Jonsson
Director

4C EUROPE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 General information

4C Europe UK Limited (the 'company') is a private company limited by share capital incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The principal activity of the company is that of developing and delivering on sales of risk management software solutions in the UK and Ireland, based on the products and services of the parent undertaking, 4C Group AB.

2 Accounting policies

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.

Going concern

The directors have considered the impact of COVID-19 on the company's financial position, liquidity and future performance together with financial projections for the company and over the foreseeable future and have also reviewed the ongoing committed financial support from the company's parent undertaking and is confident that this will be available for the foreseeable future. After making enquiries, the directors are satisfied that the company has sufficient resources to continue in operation for the foreseeable future, being at least 12 months from the date of signing the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the company's financial statements.

4C Europe UK Limited is reliant on the support of 4C Group AB as the parent company which is committed to the UK market and has demonstrated its support through a letter of support.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and in accordance with the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of the company is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the company operates. The financial statements are presented in pounds sterling (£).

4C EUROPE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 Accounting policies (continued)

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company is consolidated in the financial statements of its parent, 4C Group AB, which may be obtained from Vattugatan 17, Box 7637, 103 94, Stockholm, Sweden. Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement, transactions with group entities and remuneration of key management personnel.

Critical judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Accrued income

The company establishes a receivable for revenue earned from the provision of services but not yet invoiced by the year end based on underlying contractual agreements in place; this receivable is computed by estimating the extent of completion or performance of the related work and when the amount is earned. Accrued revenue at 31 December 2021 was £2,373,028 (2020 - £1,348,290).

Revenue recognition

Revenue represents the value of services provided during the year, net of value added tax. Turnover is recognised as follows:

- (i) Sale of service and support agreements - recognised 25% at the time of delivery of the product to the customer and the balance over the term of the agreement.
- (ii) Sale of software as a service - recognised 80% at the time of delivery of the product to the customer and the balance over the term of the agreement.
- (iii) Licence fees - recognised 100% at the time of delivery.
- (iv) Development and management services - recognised where the company has a contractual right to receive revenue for work undertaken.

Taxation

The tax expense for the period comprises current tax. Tax is recognised in the statement of income and retained earnings, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

4C EUROPE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	3 years straight line basis
Fixture and Fittings	4 years straight line basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and are subject to an insignificant risk of change in value.

Receivables

Receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of income and retained earnings on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

4C EUROPE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

2 Accounting policies (continued)

Defined contribution pension obligation

The company operates a defined contribution pension scheme. The assets of the schemes are held separately from those of the company. Contributions are recognised in the income statement in the period in which they become payable.

Share based payments

The company's parent undertaking, 4C Group AB, operates an option rights plan for its key employees which entitles these employees (including the company's employees) to acquire shares in the parent. The required disclosures and related costs are therefore included in 4C Group AB's consolidated financial statements. No associated costs were recharged by the group in the current or preceding year.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3 Staff costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021	2020
Administration and support	5	5
Sales, marketing and distribution	28	20
	<u>33</u>	<u>25</u>

4C EUROPE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

4 Property, plant and equipment

	Fixture and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2021	25,736	47,165	72,901
Additions	2,090	10,542	12,632
At 31 December 2021	27,826	57,707	85,533
Depreciation			
At 1 January 2021	23,926	34,810	58,736
Charge for the year	140	4,387	4,527
At 31 December 2021	24,066	39,197	63,263
Carrying amount			
At 31 December 2021	3,760	18,510	22,270
At 31 December 2020	1,810	12,355	14,165

5 Receivables

	2021 £	2020 £
Trade receivables	596,096	367,272
Amounts owed by group undertakings	1,843,570	1,034,761
Other receivables	63,334	59,202
Prepayments and accrued income	2,413,431	1,365,044
	4,916,431	2,826,279

The amount receivable from group undertaking disclosed as falling within one year is unsecured, payable on demand and is non-interest bearing.

6 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	920,749	649,004

4C EUROPE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

7 Payables

	2021 £	2020 £
Due within one year		
Trade payables	49,298	28,860
Amounts due to group undertakings	3,163,213	1,910,408
Corporation tax	36,090	17,180
Social security and other taxes	516,424	512,568
Other payables	51,997	6,628
Accruals and deferred income	1,083,043	367,163
	<u>4,900,065</u>	<u>2,842,807</u>

8 Pension schemes

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £77,827 (2020 - £55,407).

Contributions totalling £8,553 (2020 - £3,636) were payable to the scheme at the end of the year and are included in payables.

9 Share capital and reserves

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The company has one class of share capital which carries no right to fixed income.

Reserves

The retained earnings reserve represents cumulative profit or losses net of dividends paid and other adjustments.

4C EUROPE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	221,200	238,000
Later than one year and not later than five years	17,000	237,800
	<u>238,200</u>	<u>475,800</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £256,600 (2020 - £229,195).

11 Share-based payments

Scheme details and movements

The company's parent undertaking, 4C Group AB, operates an option rights plan for its key employees which entitles these employees (including the company's employees) to acquire share in the parent undertaking.

The entity is part of a group share-based payment scheme and it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The company has taken advantage of the disclosure exemptions provided by FRS 102 as required disclosures are included in 4C Group AB's consolidated financial statements. The company measures its share-based payment expense as a proportion of the expense recognised for the entire share-based payment scheme based on the entitlements of its employees participating in the scheme. No associated costs were recharged by the group in the current or preceding year.

12 Parent and ultimate parent undertaking

The company's immediate parent is 4C Group AB, incorporated in Sweden.

The most senior parent entity producing publicly available financial statements is 4C Group AB. These financial statements are available upon request from Vattugatan 17, Box 7637, 103 94, Stockholm, Sweden.

The ultimate controlling party is 4C Group AB.

4C EUROPE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

13 Related party transactions

The company is a wholly owned subsidiary member of its group and has therefore taken advantage of the provisions of Section 33. 1A of FRS 102 the "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose transactions with entities that are wholly owned members of the group.

There were no other related party transactions to disclose.

14 Events after the financial period

There have been no significant events between the year end and the date of approval of these accounts which would require a change to, or disclosure in, the financial statements.

15 Audit report.

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 11 May 2022 was Ransford Agyei-Boamah, who signed for and on behalf of Harmer Slater Limited, Statutory Auditor.