

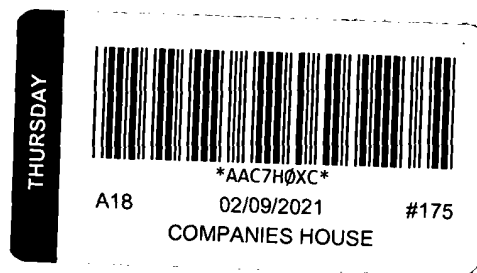
**Urdgrup Limited**

**Report and Financial Statements**

**Year Ended**

**31 December 2020**

**Company Number 07520049**



**Urdgrup Limited**  
**Report and financial statements**  
**for the year ended 31 December 2020**

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**Directors**

M B Durham  
A Bird  
N M Caplan  
I J Eckert  
S Feigen  
W Gresty  
G V Sherren

**Secretary and registered office**

Nebiha Aman  
107-111 Fleet Street  
London EC4A 2AB

**Company number**

07520049

**Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

**Urdgrup Limited**  
**Strategic Report**  
**for the year ended 31 December 2020**

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**Chair's message**

**2020 review**

2020 saw an unprecedented year, with the pandemic affecting all businesses within the UK. Uncertainties lay ahead for working capital and revenue growth. The greatest advantage for Abacus Software Ltd, the group's trading arm, was the drive for many companies to increase digital engagement and we were well positioned in the market to address this.

Recurring revenue in 2020 represented 86% of total revenue, up from 80% in 2019. After a very challenging year seeing a stalled Q2/Q3 due to the pandemic and a Q1 without a Digital Director, Abacus emerged with having won £350k (10%) incremental ARR of which £300k was confirmed in Q4 2020 alone, this reflected very well on the company's long-term growth plans.

The Group achieved a positive EBITDA of £165,740 an increase of over 200% in comparison to 2019 and with good opportunities in the pipeline; it can build upon this from a scalable business base. Investment continues to be made in R&D to ensure that our technology is optimised for entry into new markets and to keep pace with competitors. In particular, the development of our Experience Management Engine (EME), which offers enhanced revenue-generating opportunities for our clients. The Company, in the opinion of the Directors, is well placed to grow in both turnover and profitability.

**Business model**

Abacus Software Limited enables content owners to successfully transform digital strategy into digital business. We help organisations to realise their digital potential by developing great content, maximising audience engagement and monetising their content. Abacus has effectively moved away from its heritage as a bespoke project web development agency supporting multiple different instances of custom codebases to now running shared services around a common cloud based SaaS platform.

**Urdgrup Limited**  
**Strategic report**  
**for the year ended 31 December 2020 (continued)**

<b><u>Key performance indicators of Urdgrup Limited</u></b>	<b>2020</b>	<b>2019</b>
Turnover (£'000) –	<b>4,134</b>	4,733
Recurring revenue (£'000) –	<b>3,535</b>	3,779
Proportion of recurring revenue (%)	<b>86%</b>	80%
<i>The proportion of recurring revenue is a measure of the strategy of rolling out scalable repeat revenues after migration onto our platforms</i>		
Annualised recurring revenue at the end of December (£'000)	<b>3,297</b>	3,766

**Principal risks and uncertainties**

It is important to ensure we have effective and proportionate processes in place to control and manage risks faced by the Group. A number of factors could potentially affect the Group's operating results and financial position. They are categorised as financial, commercial, reputational or regulatory risks. The material impact and relative likelihood have been assessed and policies and procedures implemented to assist with risk management.

This section describes the principal risk factors that the Directors believe could materially affect the Group, but this is not an exhaustive list as other risks may arise or existing risks may materially increase in the future.

**Financial**

- **Currency risk:** The Group issues the majority of invoices in Pounds Sterling, as a result, the Group has minimal exposure to currency risk and no hedging instruments are required.
- **Liquidity and cash flow risk:** The Directors believe that the Group has sufficient working capital in place for the foreseeable future with which to both develop the business and maintain day-to-day trading activities. The Group continues to enjoy the support of its major investor, the Business Growth Fund (BGF).

**Urdgrup Limited**  
**Strategic Report**  
**for the year ended 31 December 2020 (continued)**

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**Commercial**

- **Reliance on or loss of key customers may reduce demand for the Groups's services:** in recent years, more public sources of free or relatively inexpensive publishing software have become available, particularly through the internet. To mitigate the risk, the Group continuously monitors changes in the market place and seeks feedback from both existing and potential customers, in order to keep the product offering relevant and competitive.
- **The Group relies on the experience and talent of its senior management and on its ability to recruit and retain key employees.** The Group offers competitive salaries and many employees are also shareholders in the Group.

**Reputational**

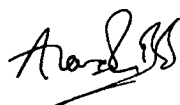
- **Breaches of the Group's information security systems or other unauthorized access to its sensitive information could adversely impact the Group's reputation.** This could also result in litigation and regulatory breaches. The Group regularly invests in improving information security to protect the integrity, confidentiality and availability of its data against attack and has a number of procedures and processes in place to mitigate this.

**Regulatory**

- **The Group is subject to regulation regarding the protection and use of personal data.** The Group monitors ongoing changes to data protection laws and seeks to implement best practice in order to ensure that the appropriate procedures and protections are in place. PCI and BACS compliance is a requirement for the Bureau in order to process credit card transactions and an external audit is undertaken every three years. PCI Compliance is a standing matter at all Board Meetings. The Group is ISO 27001 compliant and the software supports GDPR requirements both internally and for those of our clients.
- **The Group relies on achieving and maintaining quality accreditations, such as ISO 9001, as minimum requirements for some clients.** There is a risk that if we do not pass these regular quality audits, then clients may be lost and it will not be possible to win certain new clients. To mitigate this risk, there is a dedicated member of staff responsible for risk and compliance.
- The Group has not experienced any significant negative effect since the UK left the European Union via the Brexit process on the 1 January 2021. The company's customers are predominantly UK based and the business model of its operating subsidiary, Abacus Software, involves the provision of software through a common online platform via the internet which has not been effected by physical border or regulatory changes seen in the Brexit settlement.

**Approval**

This Strategic Report was approved by order of the Board on 10/06/2021



A Bird

**Managing Director**

**Urdgrup Limited**  
**Directors' Report**  
**for the year ended 31 December 2020**

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**Directors**

The Directors of the Group throughout the year were:

A Bird  
N M Caplan  
M B Durham  
I J Eckert  
W Gresty  
S Feigen  
G V Sherren

The Group has in place qualifying third party directors' indemnity insurance.

**Research and development**

The Group continues to invest in research and development. The amount of development costs capitalised in the year was £387,248 (2019 - £452,340).

**Employee involvement**

The Group is committed to a policy of recruitment and promotion based on aptitude and ability without discrimination of any kind. The Group maintains an HR intranet site and Staff Handbook that provide employees with information on matters of concern to them as employees.

**Auditors**

All of the Directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the Group's auditor is unaware.

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

**Going Concern**

The financial statements have been prepared on a going concern basis.

The going concern of the Company has been assessed together with the assessment of the Group as its going concern is dependent on the going concern of its trading subsidiary.

The Group continues to invest in the technological base of the business, which despite the strengthening of the underlying position, is reflected in a recorded loss for the year of £482,829 (2019 - £597,145) and continuing net liabilities of £3,573,661 (2019 - £3,090,831).

The Directors have prepared a sensitised forecast including cash flow projections that indicate that the Group will be able to meet its commitments for at least the 12 months following the approval of these accounts, under various stress testing conditions. The Company continues to invest in the technological base of the business, which despite the strengthening of the underlying position, as shown by the positive EBITDA, is reflected in a recorded loss for the year and continuing net liabilities.

Considering, that the Group has completed the shift in business model in 2019, it is better placed to realise efficiency and scalability around the common cloud platforms and shared services - which does not require the same bespoke support resources or project delivery model as previous years.

This board backed plan to consolidate that shift with a new organisational structure focused more clearly on Platform Management and Customer Success, which shall further ensure the Group's position going forward.

**Urdgrup Limited**  
**Directors' Report**  
**for the year ended 31 December 2020 (continued)**

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**Going Concern (continued)**

The Group is financed by a combination of fixed rate loan notes and equity. There is also a bank overdraft facility in place and a long-term bounce back loan of £50K was obtained during the pandemic; a supportive loan from the government to assist cash flow through an unpredictable period.. The fixed rate loan notes are due for repayment within the next 12 months. The Group however has the full support from its major investor, Business Growth Fund, which it will not call in any repayment of loans to the extent that the Group is unable to repay them, with provisional date of July 2022 for review.

The Directors have received a letter of support which confirms the continued support of BGF and that there is no intention to require the repayment of amounts due under the loans in the 15 month period starting from the 19 May 2021 based upon the circumstances known at that date, however this is not a legally binding commitment. Under the loan documentation the other Group loan note holders (representing approximately 14% of the amounts due under the BGF and other loan notes) are subordinated to those held by BGF. If the fixed rate loans are called for repayment, this matter would give rise to a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. However, based on the letter of support the Directors are satisfied that the Going Concern basis is the appropriate basis for the preparation of these annual accounts and accordingly the financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

Since March 2020 the Covid 19 pandemic has had wide ranging implication on the UK economy (which is the Group's principal market focus through the Abacus Software subsidiary) and has led to a material increase in the risks and uncertainties that may impact the financial performance of the Group.

In the period from March 2020 to December 2020 the Directors implemented several mitigating actions to preserve Group liquid resources and in response to a number of customers who cancelled or curtailed spend with the business in response to their own situation. These actions included securing a Bounce Back loan under the governments CBILS programme of £50,000, increasing the overdraft facility to £240,000 available to the Group and reducing overheads via reduced office usage and salary costs. Management have also agreed with HMRC the deferment of VAT liabilities which are excepted to be repaid during 2021

The Directors continue to monitor in detail the financial outlook to ensure the liquid resources are sufficient to meet the requirements of the business – including to preserve the expenditure on several exciting development projects essential to the long term success of the Group. In the final quarter of 2020 and into 2021 management have observed a strengthening in the market outlook and prospective new customer pipeline of revenues which they expect to offset a material part of the negative impacts of Covid from 2020.

The Directors have not experienced any material impact of Brexit on the current or prospective performance or position of the Group. The customer base of its Abacus subsidiary is largely UK based and the business model is based on a SaaS software platform model which is not dependent on physical location or impacted by the new post Brexit regulatory framework – including where customers are partially or fully EU based. Accordingly, the directors do not believe Brexit adds significantly to the uncertainties facing the Group or on the application of the going concern to its activities.

The Management of the Group has analysed the current financial strength of the business and prepared forecasts, including implications on the Group's cash flow based on a variety of scenarios. These have included scenarios that model severe loss of business or restrictions to cash flow, because of a potential ongoing significant decline in the economic environment of our customers over the next twelve months from the date of approval of the financial statements and beyond including downside stress testing in line with the FRC guidance issued on 26th March 2020 and throughout 2020.

The Board is satisfied given current trading and the economic environment during the pandemic that the Group is well positioned to withstand future shocks. To further bolster this resilience, management have undertaken initiatives that have further strengthened the financial position of the Group. These include considerable reductions in property facility and staff costs. Further measures have been identified if future events should require them.

**Urdgrup Limited**  
**Directors' Report**  
**for the year ended 31 December 2020 (continued)**

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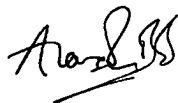
**Going Concern (continued)**

The possible greater severity of economic damage due to the pandemic could result in adverse cash flows that would impact the majority of companies, including the Group. It is not possible to fully quantify such adverse impacts on the global and national economy and the Group believes that appropriate mitigating actions can be taken as described above if required.

Therefore, the Directors are satisfied that the Going Concern basis is the appropriate basis for the preparation of these annual accounts and accordingly the financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

**Approval**

This Directors' Report was approved by order of the Board on 10/06/2021



A Bird

**Managing Director**



## **Urdgrup Limited**

### **Statement of Directors' Responsibilities**

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#### **Directors' responsibilities**

The directors are responsible for preparing the strategic report, 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 group and company 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 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 of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Urdgrup Limited**  
**Independent auditor's report**

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**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF URDGRUP LIMITED**

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss 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.

We have audited the financial statements of Urdgrup Limited ("the Parent Company") and its subsidiary ("the Group") for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

**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 Group and the Parent 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.

**Material uncertainty related to going concern**

We draw attention to note 2 to the financial statements which indicates that the ability of the Group and Parent Company to continue as a going concern is reliant on the financial support of its major investor. The major investor has not formerly deferred the loan repayments due by the Parent Company within the next 12 months and the letter of support provided is not legally binding. As stated in note 2, these events and conditions, along with other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

**Urdgrup Limited**  
**Independent auditor's report (continued)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the report and financial statements 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. 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 course of 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 this gives rise to 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.

**Other Companies Act 2006 reporting**

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

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

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

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Company 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.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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## 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.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 that are applicable to the group and those laws and regulations that had a direct effect on the financial statements. The significant laws were considered to be FRS 102 and the Companies Act 2006.
- We understood how the group is complying with these laws and regulations by making enquires of management and the Board. We have corroborated our enquiries through review of Board minutes.
- We assessed the susceptibility of the financial statement to material misstatement, including fraud and evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override and revenue recognition, and considered that the principal risk were related to the posting of inappropriate journal entries to improve the result before tax for the year and revenue recognition. The risk of fraud through management override of controls by testing on a sample basis the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of potential bias. The risk of fraud through revenue recognition was addressed by testing on sample basis appropriate customer orders, acceptances and invoices.
- We have obtained an understanding of the processes designed to prevent and detect irregularities.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Nicole Martin

Nicole Martin (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

Date 10 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Urdgrup Limited**

**Consolidated Statement of Comprehensive Income  
For the year ended 31 December 2020**


	Notes	2020 £	2019 £
<b>Turnover</b>	3	<b>4,133,657</b>	4,732,842
Cost of sales		<u>(673,656)</u>	<u>(829,994)</u>
<b>Gross profit</b>		<b>3,460,001</b>	3,902,848
Administrative expenses		<u>(3,814,560)</u>	<u>(4,394,303)</u>
<b>Operating loss</b>	4	<b>(354,559)</b>	(491,455)
Interest payable and similar charges	8	<u>(269,845)</u>	<u>(281,924)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(624,404)</b>	(773,379)
Taxation on loss on ordinary activities	9	<u>141,575</u>	<u>176,234</u>
<b>Total comprehensive loss for the year</b>		<u><b>(482,829)</b></u>	<u><b>(597,145)</b></u>

The notes on pages 18 to 33 form part of these financial statements.

**Urdgrup Limited**  
**Consolidated Statement of Financial Position**  
**at 31 December 2020**

<b>Company number 07520049</b>	<b>Notes</b>	<b>2020</b> £	<b>2020</b> £	<b>2019</b> £	<b>2019</b> £
<b>Fixed assets</b>					
Intangible assets	10		1,440,969		1,550,852
Tangible Fixed assets	11		10,092		51,998
Fixed Asset Investments	12		33,333		33,333
			<u>1,484,394</u>		<u>1,636,183</u>
<b>Current assets</b>					
Debtors	13	741,832		1,281,944	
Cash at bank and in hand		311,599		28,249	
		<u>1,053,431</u>		<u>1,310,193</u>	
<b>Creditors: amounts falling due within one year</b>	14	(5,574,646)		(1,558,805)	
<b>Net current liabilities</b>			<u>(4,521,215)</u>		<u>(248,612)</u>
<b>Total assets less current liabilities</b>			<u>(3,036,021)</u>		<u>1,387,571</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(536,840)		(4,438,402)
<b>Provisions for liabilities</b>	16		-		(40,000)
<b>Net liabilities</b>			<u>(3,573,661)</u>		<u>(3,090,831)</u>
<b>Capital and reserves</b>					
Share capital	19		2,024,670		2,024,670
Share premium account			723,702		723,702
Other equity reserve			(174,000)		(174,000)
Profit and loss account			(6,148,033)		(5,665,203)
<b>Shareholders' deficit</b>			<u>(3,573,661)</u>		<u>(3,090,831)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 10/06/2021



**A Bird**  
**Managing Director**

The notes on pages 18 to 33 form part of these financial statements.

**Urdgrup Limited**

**Consolidated Statement of Changes in Equity  
For the year ended 31 December 2020**

For the year ended 31 December 2020

	<b>Share capital £</b>	<b>Share premium £</b>	<b>Other equity reserve £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>1 January 2020</b>	<b>2,024,670</b>	<b>723,702</b>	<b>(174,000)</b>	<b>(5,665,204)</b>	<b>(3,090,831)</b>
Total comprehensive loss for the year	-	-	-	(482,829)	(482,829)
<b>31 December 2020</b>	<b>2,024,670</b>	<b>723,702</b>	<b>(174,000)</b>	<b>(6,148,033)</b>	<b>(3,573,661)</b>

For the year ended 31 December 2019

	<b>Share capital £</b>	<b>Share premium £</b>	<b>Other equity reserve £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>1 January 2019</b>	<b>2,024,670</b>	<b>723,702</b>	<b>(174,000)</b>	<b>(5,068,059)</b>	<b>(2,493,687)</b>
Total comprehensive loss for the year	-	-	-	(597,145)	(597,145)
<b>31 December 2019</b>	<b>2,024,670</b>	<b>723,702</b>	<b>(174,000)</b>	<b>(5,665,204)</b>	<b>(3,090,831)</b>

**Urdgrup Limited**

**Consolidated statement of Cash Flows  
For the year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
<b>Loss for the financial year</b>		<b>(482,829)</b>	<b>(597,145)</b>
Adjustments for:			
Depreciation of fixed assets	11	23,736	36,554
Amortisation of intangible assets	10	497,130	507,917
Interest payable		269,845	281,924
Tax credit		(141,575)	(176,234)
Decrease in debtors		509,430	421,815
Decrease in trade creditors		(211,992)	(200,701)
<b>Cash from operations</b>		<b>463,745</b>	<b>274,130</b>
Interest paid		(568)	(1,793)
Taxation received		158,420	137,301
<b>Net cash generated from operating activities</b>		<b>621,597</b>	<b>409,638</b>
<b>Cash flows from investing activities</b>			
Payments to acquire intangible assets	10	(387,248)	(452,340)
Payments to acquire tangible assets	11	(999)	(4,103)
<b>Net cash used in investing activities</b>		<b>(388,247)</b>	<b>(456,443)</b>
<b>Net cash generated from financing activities</b>			
Proceeds from loan from government		50,000	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>283,350</b>	<b>(46,805)</b>
Cash and cash equivalents at beginning of year		28,249	75,054
<b>Cash and cash equivalents at end of year</b>		<b>311,599</b>	<b>28,249</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		311,599	28,249

The notes on page 18 to 33 form part of these financial statements.



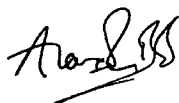
**Urdgrup Limited**

**Company Statement of Financial Position  
at 31 December 2020**

<b>Company number 07520049</b>	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Fixed assets</b>			
Fixed Asset Investments	12	1,833,841	1,833,841
<b>Current assets</b>			
Debtors	13	3,477,721	3,477,721
		<u>3,477,721</u>	<u>3,477,721</u>
<b>Creditors: amounts falling due within one year</b>	14	(4,215,844)	-
<b>Net current assets</b>		<u>(738,123)</u>	
<b>Total assets less current liabilities</b>		<u>1,095,718</u>	<u>5,311,562</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(491,840)	(4,438,402)
<b>Net assets</b>		<u>603,878</u>	<u>873,160</u>
<b>Capital and reserves</b>			
Share capital	19	2,024,670	2,024,670
Share premium account		723,702	723,702
Other equity reserve		(174,000)	(174,000)
Profit and loss account		(1,970,489)	(1,701,212)
<b>Shareholders' funds</b>		<u>603,883</u>	<u>873,160</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company was a loss of £ 269,277 (2019 - loss of £280,130).

The financial statements were approved by the Board of Directors and authorised for issue on 10/06/2021



**A Bird  
Managing Director**

The notes on pages 18 to 33 form part of these financial statements.

**Urdgrup Limited**

**Company Statement of Changes in Equity  
for the year ended 31 December 2020**

	<b>Share capital £</b>	<b>Share premium £</b>	<b>Other equity reserve £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
<b>1 January 2020</b>	2,024,670	723,702	(174,000)	(1,701,212)	873,160
<b>Total comprehensive loss for the year</b>	-	-	-	(269,277)	(269,277)
<b>31 December 2020</b>	2,024,670	723,702	(174,000)	(1,970,489)	603,883
	<b>Share capital £</b>	<b>Share premium £</b>	<b>Other equity reserve £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
<b>1 January 2019</b>	2,024,670	723,702	(174,000)	(1,421,082)	1,153,290
<b>Loss for the year</b>	-	-	-	(280,130)	(280,130)
<b>Total comprehensive loss for the year</b>	-	-	-	(280,130)	(280,130)
<b>31 December 2019</b>	2,024,670	723,702	(174,000)	(1,701,212)	(873,160)

The notes on pages 18 to 33 form part of these financial statements.

## Urdgrup Limited

### Notes forming part of the financial statements for the year ended 31 December 2020

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#### 1 Accounting policies

##### *General Information*

Urdgrup Limited is a private company incorporated in England and Wales, limited by shares, under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

##### *Parent company disclosure exemptions*

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

##### *Basis of consolidation*

The consolidated financial statements present the results of Urdgrup Limited and its subsidiary ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

##### *Going concern*

The financial statements have been prepared on a going concern basis.

The going concern of the Company has been assessed together with the assessment of the Group as its going concern is dependent on the going concern of its trading subsidiary.

The Group continues to invest in the technological base of the business, which despite the strengthening of the underlying position, is reflected in a recorded loss for the year of £482,829 (2019 - £597,145) and continuing net liabilities of £3,573,661 (2019 - £3,090,831).

The Directors have prepared a sensitised forecast including cash flow projections that indicate that the Group will be able to meet its operational commitments for at least the 12 months following the approval of these accounts, under various stress testing conditions.

Considering, that the Group has completed the shift in its business model last year, it is better placed to realise efficiency and scalability around the common cloud platforms and shared services - which does not require the same bespoke support resources or project delivery model as previous years.

## Urdgrup Limited

### Notes forming part of the financial statements For the year ended 31 December 2020 (continued)

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#### 1 Accounting policies (continued) *Going Concern (continued)*

This board backed plan to consolidate that shift with a new organisational structure focused more clearly on Platform Management and Customer Success, shall further ensure the Group's position going forward.

Since March 2020 the Covid 19 pandemic has had wide ranging implication on the UK economy (which is the Group's principle market focus through the Abacus Software subsidiary) and has led to a material increase in the risks and uncertainties impacting the financial performance of the Group.

In the period from March 2020 to December 2020 the Directors implemented several mitigating actions to preserve Group liquid resources and in response to a number of customers who cancelled or curtailed spend with the business in response to their own situation. These actions included securing a Bounce Back Loan under the governments CBILS programme, increasing the overdraft facility available to the Group and reducing overheads via reduced office usage and salary costs.

The Directors continue to monitor in detail the financial outlook to ensure the liquid resources are sufficient to meet the requirements of the business – including to preserve the expenditure on several exciting development projects essential to the long term success of the Group. In the final quarter of 2020 and into the 2021 management have observed a strengthening in the market outlook and prospective new customer pipeline of revenues which they expect to offset a material part of the negative impacts of Covid from 2020.

The Directors have not experienced any material impact of Brexit on the current or prospective performance or position of the Group. The customer base of its Abacus subsidiary is largely UK based and the business model is based on a SaaS software platform model which is not dependent on physical location or impacted by the new post Brexit regulatory framework – including where customers are partially or fully EU based. Accordingly, the directors do not believe Brexit adds significantly to the uncertainties facing the Group or on the application of the going concern to its activities.

The Management of the Group has analysed the current financial strength of the business and prepared forecasts, including implications on the company's cash flow based on a variety of scenarios. These have included scenarios that model severe loss of business or restrictions to cash flow as a result of a potential ongoing significant decline in the economic environment of our customers over the next twelve months from the date of approval of the financial statements and beyond including downside stress testing in line with the FRC guidance issued on 26th March 2020.

The Board is satisfied given current trading and the economic environment during the pandemic that the Group is well positioned to withstand future shocks. To further bolster this resilience, management have undertaken initiatives that have further strengthened the financial position of the Group. These include considerable reductions in property facility and staff costs. Further measures have been identified if future events should require them.

The possible greater severity of economic damage due to the pandemic could result in adverse cash flows that would impact the majority of companies, including the Group. It is not possible to fully quantify such adverse impacts on the global and national economy and the Group believes that appropriate mitigating actions can be taken as described above if required.

## Urdgrup Limited

### Notes forming part of the financial statements For the year ended 31 December 2020 (continued)

#### 1 Accounting policies (continued)

##### *Going Concern (continued)*

The Group is financed by a combination of fixed rate loan notes and equity. There is also a bank overdraft facility in place. The fixed rate loan notes are due for repayment within the next 12 months. The Group however has the full support from its major investor, Business Growth Fund, which it will not call in any repayment of loans to the extent that the Group is unable to repay them, with provisional date of July 2022 for review. The Directors have received a letter of support which confirms the continued support of BGF and that there is no intention to require the repayment of amounts due under the loans in the 15 month period starting from the 19 May 2021 based upon the circumstances known at that date, however this is not a legally binding commitment. Under the loan documentation the other Group loan note holders (representing approximately 14% of the amounts due under the BGF and other loan notes) are subordinated to those held by BGF. The reliance on the financial support of BGF which is not contractually certain indicates that a material uncertainty exists that may cast significant doubt about the group's and the company's ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business. However, based on the letter of support and the considerations above the Directors are satisfied that the Going Concern basis is the appropriate basis for the preparation of these annual accounts and accordingly the financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

The following principal accounting policies have been applied:

##### *Revenue*

Revenue from the sale of goods is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Group will receive the previously agreed upon payment. For subscription contracts, including licence, support and hosting, the Group defers recognition of revenue over the period of the subscription as the Group has an obligation to provide these ongoing services to the buyer over a fixed time period.

##### *Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

##### *Depreciation*

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Leasehold improvements	-	the term of the lease
Fixtures, fittings and equipment	-	4-5 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

##### *Valuation of investments*

Investments in unlisted Group shares; have been classified as fixed asset investments as the Group intends to hold them on a continuing basis. These are valued at market value, at each balance sheet date. Gains and losses on revaluation are recognised in the profit or loss for the period.

## Urdgrup Limited

### Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

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#### *Impairment of fixed assets and goodwill*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

#### *Finance costs*

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### *Intangible assets*

The group performed procedures as at year end to determine whether intangible assets have suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of the method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. No instances have been identified that could cause the carrying amount of intangible assets to exceed its recoverable amount and therefore no impairment has been recognised. As noted to the accounting policies statement on the going concern assumption, although there was an initial impact on customer expenditure arising from the Covid-19 pandemic in the last quarter of 2020 and into 2021 management have seen a recovery in customer prospects and revenue recovery as the Group continues to enhance and expand its software and product offerings, accordingly management assessment the forward prospects of the business has confirmed that no impairment of the carrying value of the intangible assets is warranted.

## **1 Accounting policies (continued)**

### *a) Goodwill*

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquired Company at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight-line basis to the statement of comprehensive income over its useful economic life of ten years.

Estimates of the useful economic life of goodwill are based on a variety of factors, such as the expected use of the acquired business. The expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

### *(b) Research and development costs*

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their expected useful economic lives of five years.

The expected useful economic life of development costs is estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

## Urdgrup Limited

### Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

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#### *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or 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 in the UK.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

#### *Share-based payments*

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

#### *Share-based payments (continued)*

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received.

## Urdgrup Limited

### Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

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#### **1 Accounting policies *(continued)***

##### *Pension costs*

Contributions to the Group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

##### *Operating leases*

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### *Foreign currency translation*

###### *(a) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the functional and presentation currency.

###### *(b) Transactions and balances*

Foreign currency transactions are translated into the group's functional currency using the exchange rates prevailing at the dates of the transactions. 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 profit or loss.

##### *Reserves*

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Share premium reserve represents the premium received on issue of share capital
- The Other Equity Reserve is a liability in relation to A ordinary shares issued and reclassified from equity to debt.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.



## Urdgrup Limited

### Notes forming part of the financial statements for the year ended 31 December 2020 (*continued*)

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#### **2 Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether there are indicators of impairment of the Group's intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether there are indicators of impairment to the carrying value of the Group's and Company's investments. Factors taken into consideration include the financial and future financial performance of the Company invested in, as well as additional investment by third parties.
- As per the Group's articles of association, from year ending 31 December 2020 a preference dividend owing to holders of A Ordinary shares became payable annually in perpetuity. This dividend is calculated at the greater of either 10% of the amount credited as paid up on the ordinary A shares, or 10% of net profits. Management therefore incorporate the use of judgement in determining which base to use in the valuation, and further incorporate judgement into the use of a discount rate within the valuation. Factors considered include the ownership of the business, any non-controlling interest and historical volatility of the Group's results.

#### *Other key sources of estimation uncertainty*

- *Intangible fixed assets (see note 10)*

Intangible fixed assets include development costs which are capitalised based on the recorded input cost and amortised over their expected useful lives. Factors, which are assessed when evaluating the residual value, include future revenue that the development work is expected to generate and technological innovation.

**Urdgrup Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

**3 Analysis of turnover**

	2020 £	2019 £
Analysis by type of revenue:		
Recurring	3,534,829	3,779,478
Project	598,828	953,364
	<u>4,133,657</u>	<u>4,732,842</u>

Analysis of turnover by country of destination:

United Kingdom	4,067,982	4,689,865
Rest of the world	65,675	42,977
	<u>4,133,657</u>	<u>4,732,842</u>

**4 Operating loss**

	2020 £	2019 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	23,736	36,554
Amortisation of intangible assets, including goodwill	497,131	507,917
Fees payable to the Group's auditor and its for the audit of the Group's annual accounts	33,000	20,500
Fees payable to the Group's auditor for taxation compliance services	7,275	6,335
Exchange differences	5,277	3,676
Operating lease rentals	176,394	185,822
Defined contribution pension cost	79,869	81,224
	<u></u>	<u></u>

**6 Employees**

	2020 £	2019 £
Staff costs (including Directors) consist of:		
Wages and salaries	2,566,560	2,875,576
Social security costs	252,452	293,714
Cost of defined contribution pension scheme	79,869	81,446
	<u>2,898,881</u>	<u>3,250,736</u>

**Urdgrup Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

**6 Employees (continued)**

The average number of employees (including Directors) during the year was as follows:

	2020 Number	2019 Number
Office and management	9	9
Sales and marketing	2	2
Delivery services	48	53
	<u>59</u>	<u>64</u>

A defined contribution pension scheme is operated by the Group on behalf of employees. The assets of the scheme are held separately in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounted to £79,869 (2019 £81,446).

**7 Key Management Personnel (Company)**

	2020 £	2019 £
Directors' emoluments	517,387	369,484
Company contributions to money purchase pension schemes	20,434	16,458
	<u>537,821</u>	<u>385,942</u>

**Key Management Personnel (Group)**

	2020 £	2019 £
Directors' emoluments	788,916	1,077,977
Company contributions to money purchase pension schemes	33,672	43,611
	<u>822,588</u>	<u>1,121,588</u>

There were five Directors in the Group's defined contribution pension scheme (2019 six). Emoluments of the highest paid director were £145,257 (2019 £164,168).

**8 Interest payable and similar charges**

	2020 £	2019 £
Bank loans and overdrafts	568	1,793
Other loans	238,749	238,749
Unwinding of interest on A Ordinary share capital	30,528	41,382
	<u>269,845</u>	<u>281,924</u>

**Urdgrup Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

**9 Taxation on loss on ordinary activities**

	2020 £	2019 £
<i>UK corporation tax</i>		
Current tax on loss for the year		
R&D tax credit	(141,575)	(158,420)
Adjustment in respect of previous period	-	(17,814)
	<hr/>	<hr/>
Total current tax	(141,575)	(176,234)
<i>Deferred tax</i>		
Originating and reversal of timing differences	-	-
Adjustment in respect of previous periods	-	-
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
<b>Taxation on loss on ordinary activities</b>	<b>(141,575)</b>	<b>(176,234)</b>
	<hr/>	<hr/>

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below.

	2020 £	2019 £
Loss on ordinary activities before taxation	(624,404)	(773,379)
	<hr/>	<hr/>
Tax on loss on ordinary activities at standard UK corporation tax rate of 19% (2019 - 19%)	(118,637)	(146,942)
Effects of:		
Fixed asset differences	238	2,043
Expenses not deductible for tax purposes	6,038	54,352
Additional deduction for R&D expenditure	(136,142)	(125,750)
Surrender of tax losses for R&D tax credit refund	43,936	49,165
Remeasurement of deferred tax for changes in tax	(8,103)	(17,814)
Deferred tax not recognised	71,215	8,712
	<hr/>	<hr/>
<b>Current tax (credit) for the year</b>	<b>(141,575)</b>	<b>(176,234)</b>
	<hr/>	<hr/>

In 2020 the Group has £ 776,547 (2019 - £ 777,772) of unrecognised tax losses carried forward.

**Urdgrup Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

**10 Intangible assets**

<b>Group</b>	<b>Development costs £</b>	<b>Goodwill £</b>	<b>Total £</b>
<i>Cost or valuation</i>			
At 1 January 2020	2,620,367	992,137	3,612,504
Additions	387,247	-	387,247
Assets fully depreciated	(470,237)	-	(470,237)
<b>At 31 December 2020</b>	<b>2,537,377</b>	<b>992,137</b>	<b>3,529,514</b>
<i>Amortisation</i>			
At 1 January 2020	1,688,059	373,593	2,061,652
Charge for year	473,643	23,487	497,130
Assets fully depreciated	(470,237)	-	(470,237)
<b>At 31 December 2020</b>	<b>1,691,465</b>	<b>397,080</b>	<b>2,088,545</b>
<i>Net book value</i>			
<b>At 31 December 2020</b>	<b>845,912</b>	<b>595,057</b>	<b>1,440,969</b>
At 31 December 2019	932,307	618,544	1,550,852

**Urdgrup Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

**11 Tangible fixed assets**

<b>Group</b>	<b>Leasehold improvements £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<i>Cost or valuation</i>			
At 1 January 2020	84,636	19,079	103,715
Additions	-	999	999
Assets fully depreciated	(84,636)	-	(84,636)
<b>At 31 December 2020</b>	<b>-</b>	<b>20,078</b>	<b>20,078</b>
<i>Depreciation</i>			
At 1 January 2020	46,615	5,102	51,717
Charge for the year	18,852	4,884	23,736
Assets fully depreciated	(65,467)	-	(65,466)
<b>At 31 December 2020</b>	<b>-</b>	<b>9,986</b>	<b>9,986</b>
<i>Net book value</i>	-	10,092	10,092
<b>At 31 December 2020</b>			
At 31 December 2019	38,021	13,977	51,998

The Parent Company had no tangible fixed assets (2019 - Nil).

**12 Fixed asset investments**

<b>Group</b>	<b>Total £</b>
<i>Cost</i>	
At 1 January 2020 and 31 December 2020	<b>33,333</b>

Other investments are shares in other unlisted companies and measured at fair value.

<b>Company</b>	<b>Shares in subsidiary £</b>
<i>Cost</i>	
At 1 January 2020 and 31 December 2020	<b>1,833,841</b>

The undertaking in which the Group's interest at the year-end is 20% or more is as follows:

<b>Name</b>	<b>Registered address</b>	<b>Proportion of voting rights and ordinary share capital held</b>
Abacus Software Ltd	107-111 Fleet Street EC4A 2AB (as of 29 <sup>th</sup> June 2020)	100%

**Urdgrup Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

**13 Debtors**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<i>Current</i>				
Trade debtors	520,493	935,253	-	-
Other debtors	25,269	46,773	-	-
Prepayments and WIP	54,495	141,498	-	-
Corporation tax recoverable	141,575	158,420	-	-
<i>Non-current</i>				
Amounts owed by Group undertakings	-	-	3,477,721	3,477,721
	<u>741,832</u>	<u>1,281,944</u>	<u>3,477,721</u>	<u>3,477,721</u>

The provision in the Group and Company Statement of Financial Position for the period in respect of bad and doubtful trade debtors was £Nil (2019 - £Nil).

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	167,463	224,128	-	-
Taxation and social security	386,686	280,424	-	-
Other creditors	-	6	-	-
Accruals and deferred income	799,653	1,054,247	-	-
Bounce back loans	5,000	-	-	-
Other Loans	4,215,844	-	4,215,844	-
	<u>5,574,646</u>	<u>1,558,805</u>	<u>4,215,844</u>	<u>-</u>

The Other Loans are classified as being due within one year as repayment terms have not formally been deferred by the lender shareholder (BGF).

**15 Creditors: amounts falling due after more than one year**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Other loans	-	3,977,090	-	3,977,090
Shares classified as a financial liability	491,840	461,312	491,840	461,312
Bounce back loans	45,000	-	-	-
	<u>536,840</u>	<u>4,438,402</u>	<u>491,840</u>	<u>4,438,402</u>

The debt finance comprised loans and overdrafts. The Other loans are now presented as amounts falling due within one year as described at note 14.

A long-term bounce back loan of £50K was obtained during the pandemic; a supportive loan from the government to assist cash flow - payable over six years from its anniversary date in 2021.

**Urdgrup Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

**15 Creditors: amounts falling due after more than one year (continued)**

The maturity of sources of debt finance are as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
In one year or less, or on demand	-	-	-	-
In more than one year but not more than two years	-	4,438,402		4,438,402
In more than two years but not more than five years	-	-		-
	<u>-</u>	<u>4,438,402</u>	<u>-</u>	<u>4,438,402</u>

**16 Provisions for liabilities**

	Dilapidations £	Total £
At 1 January 2020	40,000	40,000
Released to profit or loss	(40,000)	(40,000)
	<u>-</u>	<u>-</u>
<b>At 31 December 2020</b>	<u>-</u>	<u>-</u>

**17 Pensions**

The amount recognised in the profit and loss account as an expense in relation to the Group's defined contribution schemes is £79,869 (2019 - £81,446). There were no amounts owing at the year end.

**18 Deferred taxation**

Group	2020 £	2019 £
Accelerated capital allowances	-	-
Short term timing differences	-	-
	<u>-</u>	<u>-</u>
<b>Provision for deferred tax</b>	<u>-</u>	<u>-</u>

A deferred tax asset relating to trading losses carried forward has not been recognised as the recoverability of the asset is not sufficiently certain.



# Urdgrup Limited

## Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

### 19 Share capital

	2020 £	2019 £
<i>Allotted, called up and fully paid</i>		
136,519,989 Ordinary shares of 1p each	1,365,200	1,365,200
61,214,419 A Ordinary shares of 1p each	612,144	612,144
32,385,122 A Ordinary shares of 0.1p each	32,385	32,385
14,941,378 Ordinary shares of 0.1p each	14,941	14,941
	<u>2,024,670</u>	<u>2,024,670</u>

The holders of the A Ordinary shares are entitled to receive a cumulative preferential cash dividend in perpetuity, in respect of the financial year commencing 1 January 2018, equal to the highest of 10% of the amount paid for the shares and 10% of the net profits after tax per the financial statements of Abacus Software Limited. A financial liability has been recognised in relation to this right. The A Ordinary shares have different voting rights attached to the other class of shares. At the discretion of the holder of the A Ordinary shares, the preferential dividend relating to financial years commencing 1 January 2018 and 2019 have been deferred until the financial year beginning 1 January 2020.

### 20 Share based payment

The following information is relevant in the determination of the fair value of options granted during previous years under the equity-settled share based remuneration schemes operated by Urdgrup Limited.

	2020	2019
<b>Equity-settled</b>		
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price at grant date (pence)	0.049p	0.049p
Exercise price (pence)	1.05p	1.05p
Weighted average contractual life (years)	10	10
Expected volatility	25%	25%
Expected dividend growth rate	-	-
Risk-free interest rate	0.72%	0.72%

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years of comparable publically quoted companies.

No amount was charged to the accounts in both years as the amount was not material. No options were granted or exercised during the year.

**Urdgrup Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)**

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**21 Commitments under operating leases**

The Group had minimum lease payments under non-cancellable operating leases as set out below:

	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Not later than 1 year	<b>154,164</b>	139,651
Later than 1 year and not later than 5 years	<b>66,240</b>	-
	<hr/> <b>220,404</b> <hr/>	<hr/> 139,651 <hr/>

**22 Related party disclosures**

During the year the Group purchased services from Gowi Doo, a shareholder in the Group totalling £ 18,000 (2019 - £92,970). All transactions were conducted on an arm's length basis on normal trading terms.

**23 Post balance sheet events**

There are no post balance sheet events.