Transactor London Market Limited

Annual report and financial statements

Registered number 07696169

For the year ended 31 May 2021

Transactor London Market Limited

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Transactor London Market Limited

Company information

Directors	S A Badley C P Ralph
Company secretary	C P Ralph
Registered office	Buckholt Drive Warndon Worcester WR4 9SR
Auditor	KPMG One Snowhill Snow Hill Queensway Birmingham B4 6GH

Directors' report

The directors present their report and the financial statements for the year ended 31 May 2021.

Principal activity

The principal activity of the Company is the sale of software products and services to the general insurance industry in the United Kingdom.

Directors of the Company

The directors, who held office during the year and up to the date of this report, were as follows:

C P Ralph
S A Badley

Business review

The Company's result for the year ended 31 May 2021 was a profit before tax of £49,000. The directors consider the result for the year to be satisfactory and in line with expectations.

Risk management

Risk management is a high priority for the business. Processes are designed to identify, mitigate and manage risk. The Board of Directors are ultimately responsible for risk management.

The principal risks facing the business, and the controls or factors in place to mitigate these, are as follows:

Credit risk

The Company's primary financial assets are bank balances, trade and other debtors. Cash balances are lodged with UK domiciled banks which carry high credit ratings. Trade and other receivables are shown net of provision for doubtful receivables. The company has a good record of cash collection from its customer base.

Cyber risk

The Company's operations are dependent on maintaining and protecting the confidentiality, integrity and availability of the IT systems and information. The Company has a skilled technology team which monitors and reviews the performance and availability of the Company's IT systems including the risk of cyber-attack. Controls in place include physical restrictions over server room access; penetration testing, open source compliance reviews and denial of service attack protection. In addition, the Company has also included protection from various cyber-related events included in its corporate insurance policies.

Business interruption risk

The Company maintains and regularly reviews its business continuity plan. The plan is documented and tested to ensure risk of business interruptions is minimised. The Company maintains duplicate servers at physically separate locations with virtually real-time failover capability. In addition, the company has protection from various business interruption risks included in its corporate insurance policies.

Covid-19 risk

Covid-19 is a potential source of uncertainty. The impact has been relatively modest and were another outbreak to occur, we would expect resilience to be evidenced again.

Directors' report *(continued)*

S172 Statement

The Directors are required to include a statement of how they have had regard to stakeholders to promote the success of the Company, in accordance with section 172 of the Companies Act 2006.

Under s172, a director must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members, as a whole, and in doing so have regard to:

- the likely consequences of any decision in the long-term,
- the interest of the Group (of which the Company is a member) employees,
- the need to foster the Group business relationships with suppliers, customers and others,
- the impact of the Group operations on the community and the environment,
- the desirability of the Group maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Group.

Information about our stakeholders are included in the Corporate Social Responsibility section of this report and information on how the Board has discharged its duties is included in the Board Responsibilities section.

Board Responsibilities

The Board of Directors is responsible to shareholders for effective direction and control of the Company. This report describes the framework for corporate governance and internal control that the Directors have established to enable them to carry out this responsibility.

The Board's main responsibilities are:

- providing leadership of the Company within a framework that enables risk to be assessed and managed,
- reviewing and approving the overall Company strategy and direction,
- reviewing operational and financial performance,
- approving the year-end financial statements and annual budget,
- approving material agreements and contracts including acquisitions and disposals,
- determining, maintaining and overseeing controls and risk management policies,
- reviewing the environmental and health and safety performance of the Company,
- reviewing and approving remuneration policies and appointments to the Board, and
- monitoring and maintaining the Company's financing relationships.

Corporate Social Responsibility

Open GI Group's (here in after also referred to as "the Group") relationships with stakeholders enable them to create sustainable value and deliver the strategy. We aim to maintain and develop these relationships to best serve customers, generate shareholder returns and benefit wider society.

Shareholders

It is essential the Group has fair and transparent communication with investors. The Group's CEO, and the CFO regularly meet our majority shareholder to discuss the Group's performance and strategic objectives to maximise shareholder return.

Directors' report *(continued)*

S172 Statement *(continued)*

Customers

The Group's customers are paramount to the success of the business in both growing our revenues and optimising cashflow. Providing sustainable, high quality products to these customers is imperative to our reputation and long-term success.

Suppliers

The Group's supplier relationships are an important part of the value chain and processes are in place to ensure they comply with standards and legislation, as well as meeting ethical and quality expectations.

Employees

The Group's employees are the foundation of our business and imperative to its success. The Group promotes a positive working environment for all employees with rigorous policies and procedures that protect, develop and satisfy our existing and future employees.

Health & Safety

Providing a healthy and safe environment for people is an absolute priority in our business. H&S is part of a continuous training programme across the Group.

Employee Satisfaction

The Group aims to recruit, develop and retain employees by providing training and personal development, engagement through local working groups, reviewing reward, incentive and benefit programmes, whilst also recruiting apprentices to build the pipeline of talent for the future.

Wider Society

The Group aims to have a positive impact on the local communities in which we operate. The Group continues to support charities and local community projects.

Economic Sustainability

The Group is focused on providing sustainable value creation that enables the business to trade successfully in the longer term. To meet this objective, the Group is selective about investment and who we trade with, to protect our reputation for ethics, standards and quality.

The Group has policies and processes in place to ensure that its own operations, as well as those of its customers and suppliers, comply with legal and regulatory requirements. This includes key areas such as data protection, responsible sourcing, health and safety, quality, modern slavery and equal opportunities.

Financial instruments

The Company's principal financial instruments comprise cash, trade debtors, trade creditors and loans from Group companies. These form the day to day trading balances of the Company.

Results and dividends

The results for the year are set out in the profit and loss account on page 11.

The profit for the year was £113,000 *(2020: £324,000)*.

The directors do not recommend the payment of a dividend *(2020: £Nil)*.

Directors' report *(continued)*

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Going concern

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from Group companies to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 19th November 2021 and signed on its behalf by:

C P Ralph
Director

Buckholt Drive,
Warndon,
Worcester,
WR4 9SR

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

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Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of Transactor London Market Limited

Opinion

We have audited the financial statements of Transactor London Market Limited ("the company") for the year ended 31 May 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Independent auditor's report to the members of Transactor London Market Limited *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that license and maintenance, software development and professional services revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts.
- Testing a sample of revenue transactions to assess whether revenue has been recognized in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent auditor's report to the members of Transactor London Market Limited *(continued)*

Fraud and breaches of laws and regulations – ability to detect *(continued)*

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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 Transactor London Market Limited *(continued)*

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

M Usman

Muhammad Usman (Senior Statutory Auditor) 22nd November 2021
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Profit and Loss Account
for the year ended 31 May 2021

	Note	2021 £000	2020 £000
Turnover	2	**41**	87
Cost of sales		**-**	-
Gross profit		**41**	87
Administrative expenses	3	**8**	(17)
Profit before tax		**49**	70
Tax on profit	5	**64**	254
Profit for the year		**113**	324

The above results were derived from continuing operations.

There are no recognised gains or losses other than those included above and therefore no separate Statement of Other Comprehensive Income has been presented.

The notes on pages 14 to 22 form an integral part of these financial statements.

Transactor London Market Limited

Balance Sheet
at 31 May 2021

	Note	2021 £000	2020 £000
Current assets			
Debtors	6	**463**	310
Cash at bank and in hand		**8**	55
		471	365
Creditors: amounts falling due within one year	7	**(1,833)**	(1,840)
Net current liabilities		**(1,362)**	(1,475)
Net liabilities		**(1,362)**	(1,475)
Capital and reserves			
Called up share capital	9	**-**	-
Profit and loss account		**(1,362)**	(1,475)
Shareholders' deficit		**(1,362)**	(1,475)

The notes on pages 14 to 22 form an integral part of these financial statements.

These financial statements were approved by the Board on 19th November 2021 and were signed on its behalf by:

C P Ralph
Director

Company registered number: 07696169

Transactor London Market Limited

Statement of Changes in Equity
for the year ended 31 May 2021

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 June 2019	-	(1,799)	(1,799)
Profit for the year	-	324	324
At 31 May 2020	-	(1,475)	(1,475)
At 1 June 2020	-	(1,475)	(1,475)
Profit for the year	-	113	113
At 31 May 2021	**-**	**(1,362)**	**(1,362)**

The notes on pages 14 to 22 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting Policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applied the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, OM Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of OM Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company's registered address at PO Box 186, Royal Chambers, St. Julian's Avenue, St Peter Port, Guernsey, GY1 4HP.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and

As the consolidated financial statements of OM Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Judgements made by directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes *(continued)*

1 Accounting policies *(continued)*

Going concern

The Company is part of OM Topco Limited Group ('the Group"). The Company undertakes sales activity of the Group and its operations are funded by the loans provided by other group companies. The Company's ability to operate as a going concern is directly linked to the Group's position.

The directors of OM Topco Limited have prepared detailed financial forecasts for the Group for a period not less than 12 months from the date of their approval of the Company's financial statements. The directors acknowledge that as with any forecasting, there is a degree of uncertainty as to the assumptions underlying the projections. They have been prepared with due consideration to the economic environment and to risks regarding the timing and extent of cash flows. The forecasts include sensitivities (primarily in relation to revenue assumptions) which in the Directors' opinion are reflective of plausible downside scenarios, including the potential future impacts of Covid-19, and give due consideration to the anticipated impact that this would have on both the liquidity of the business as well as the covenants compliance. These forecasts show that the Group is capable of operating within the available bank facilities and of meeting the financial covenant tests so as to enable the Group to meet its liabilities as they fall due for a period of at least 12 months from the date of the Company's financial statements.

OM Topco Limited has indicated its intention to continue to make available such funds as are needed by the Company and not seek repayment of the amounts currently made available for at least 12 months from the date of approval of the Company's financial statements. This should enable the Company to continue in operational existence for 12 months from the date of approval of these financial statements.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

The Company has several revenue streams which are recognised according to the substance of the transaction

Licence and Maintenance

Arrangements such as annual licence renewals, which provide a licence and support and/or upgrade element, are only recognised according to the separate income recognition criteria when the fair value of the constituent elements can be ascertained. In all other cases, the whole of the income is recognised rateably over the contract period.

Maintenance and support contracts sold separately to licences are recognised rateably over the period of the contract.

Software and professional services

Turnover from the sale of software and professional services relating to implementing systems is recognised upon delivery to a customer when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. In circumstances where a considerable vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied.

On transition, the Group applied IFRS 15 retrospectively with the cumulative effect of adopting application of the standard from the date of initial application.

1 Accounting policies *(continued)*

Impairment

Financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or "CGU". Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Notes *(continued)*

1 Accounting policies *(continued)*

Impairment *(continued)*

Non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Leases

On transition, the Group applied IFRS 16 using the modified retrospective approach.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation of settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

1 Accounting policies *(continued)*

Financial instruments *(continued)*

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by - investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

The company does not have any financial instruments classified as TVOCI – debt investment; FVOCI – equity investment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a nonderivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at

FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2 Turnover

All turnover is attributable to customers within the United Kingdom and is attributable to the principal activity of the Company.

3 Expenses and auditor's remuneration

Arrived at after charging

	2021	2020
	£000	£000
Audit of these financial statements	**2**	2
Taxation compliance services	**2**	2

The audit and taxation fees are borne by Open GI Limited, a fellow Group undertaking, for both current and preceding financial years.

4 Staff costs

There were no employees during the year other than the directors. The directors received no remuneration for their qualifying services during the year *(2020: £Nil)*.

Notes *(continued)*

5 Taxation

Tax (credited) in the profit and loss account.

	2021 £000	2020 £000
Current		
UK corporation tax adjustments to prior periods	-	(10)
Deferred Tax		
Origination and reversal of temporary differences	12	(244)
Effect of tax rate change on opening balance	(76)	-
Tax credit in the profit and loss account	(64)	(254)

The effective tax rate on profit before tax for the year is lower *(2020: lower)* than the standard rate of corporation tax in the UK of 19% *(2020: 19%)*.

The differences are reconciled below:

	2021 £000	2020 £000
Profit before tax	49	70
Corporation tax at 19% *(2020: 19%)*	9	13
Movements in deferred tax not recognised	-	(257)
Adjustments in respect of prior periods	-	(10)
Difference in rates	(73)	-
Total tax credit	(64)	(254)

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax liability at 31 May 2021 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences *(2020: 19%)*.

6 Trade and other debtors

	2021 £000	2020 £000
Trade debtors	7	11
Amounts owed by group undertakings	148	55
Deferred tax asset (note 9)	308	244
	463	310

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

Notes *(continued)*

7 Trade and other creditors

	2021 £000	2020 £000
Accruals	**4**	4
Amounts owed to group undertakings	**1,824**	1,824
Other taxation and social security	**1**	6
Deferred income	**4**	6
	1,833	1,840

Amounts owing to group undertakings are unsecured, repayable on demands and interest free.

8 Deferred tax

The movements in deferred tax for the year as follows:	Deferred tax asset £000
At beginning of year	244
Tax value of losses carried forward	64
At end of year	**308**

The elements of deferred tax are as follows:	2021 £000	2020 £000
Tax value of losses carried forward	308	244

As at 31 May 2021 and 31 May 2020 there were no unprovided deferred tax.

9 Share Capital

Allotted, called up, and fully paid shares

	2021 Number	2021 £	2020 Number	2020 £
Ordinary shares of £0.10 each	**1,000**	**1,000**	1,000	100

10 Related party transactions

As disclosed in note 1, the Company has applied the exemption under FRS 101 and has not disclosed any related party transactions with wholly owned subsidiaries within the Group.

There were no related party transactions requiring disclosure during the year ended 31 May 2021 *(2020: none)*.

Notes *(continued)*

11 Ultimate parent company and controlling party

The Company's ultimate parent company is OM Topco Limited, a company incorporated in Guernsey.

The results of the Company are consolidated within the group headed by OM Topco Limited. Copies of the Group financial statements, incorporating those of the Company, are available from the Company's registered address at OM Topco Limited, PO Box 186, Royal Chambers, St. Julian's Avenue, St. Peter Port, Guernsey, GY1 2JJ.

The Company's ultimate controlling party is Montagu Private Equity LLP.

12 Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on past experience, together with expectations of future events which are believed to be reasonable at the present time. Actual results may ultimately differ from these estimates.

There are no estimates or judgements which have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next year.