Registered Number: 07934335

TUNGSTEN CORPORATION LIMITED

Annual report and financial statements for the year ended 30 April 2022

Annual report and financial statements
for the year ended 30 April 2022

Directors and advisers

Directors
Cort Townsend
Christian Hefner
Martin Oberholzer

Company Secretary
Cort Townsend

Registered Office
Leaf A
Level 1
Tower 42
25 Old Broad Street
London
EC2N 1HQ

Independent auditors
BDO LLP
55 Baker Street
London
W1U 7EU

Bankers
HSBC Bank Plc
69 Pall Mall
London
SW1Y 5E

Company registration number
07934335

Strategic Report
The Directors present their strategic report on Tungsten Corporation Limited group of companies ('the Group') for the year ended 30 April 2022.

Principal activities
Tungsten Corporation Limited is a wholly owned subsidiary of Project Leopard AcquireCo Ltd, a company within the group headed by Kofax CayCo Ltd, a company registered in the Cayman Islands.

The principal activity of the Company and subsidiaries in the year under review was the provision of electronic invoice delivery (e-invoicing) and other related services, trading under the name Tungsten Network. Tungsten Network operates a secure e-invoicing platform that brings businesses and their suppliers closer together with unique technology that revolutionises invoice processing, maximises efficiency and improves cash flow management. It simplifies and streamlines the complex invoice-to-pay process, offering legal and tax compliant invoicing across multiple jurisdictions. Buyers can reduce invoice processing costs by 60%, while suppliers gain efficiencies and peace of mind from greater visibility of the status of their invoices, including payment date.

Financial highlights

- FY22 total Group revenue increased from £36.1 million to £37.7 million.
- 94% of revenue was repeatable and recurring. This provides us with continued visibility of future revenues.
- Operating profit of £4.2 million predominantly reflects a strong trading performance, £3.7m Foreign exchange gain offset by £2.3 million exceptional costs.
- Cash net of borrowings of £3.5 million compared to £2.1 million at 30 April 2021; cash generated for the full year was £1.4m.

Results and dividends
The results for the year are set out in the Statement of comprehensive income. There was no dividend declared or paid in the year or prior year.

Future developments
On 17 June 2022, the company was acquired by the group headed by Kofax Parent Ltd, a company registered in Jersey. On 23 June 2022, Tungsten Corporation plc was reregistered as a private company under the name of Tungsten Corporation Limited.

The Group will continue to invest in product development to ensure our position at the forefront of the digital financial management arena. The Group will also benefit from the synergies, cross-selling opportunities with Kofax customers, and will benefit from the expertise and opportunities within the Kofax group.

Principal risks and uncertainties
Tungsten Corporation Limited operates the world's largest compliant e-invoicing network and is a trusted partner to hundreds of thousands of global enterprises. Our customers expect us to proactively manage and predict the risks and uncertainties that are inherent in business.

Risk management at Tungsten Corporation Limited starts at the Board but is delivered throughout the Group. The Executive Directors and the senior management team oversee the management of the business utilising a wide range of controls including financial, operational and compliance oversight, together with risk management. They ensure that the risk management strategy is implemented throughout the business.

Strategic Report - continued

Principal risks and uncertainties - continued
Tungsten Corporation Limited has dedicated compliance and cyber security teams. Amongst other things, these teams are accountable for the maintenance of the appropriate controls and processes to sustain Tungsten Corporation Limited's certification under both ISO 27001 (information security management) and ISAE 3402 (controls at a service organisation). The Security Committee is chaired by the General Counsel/Data Protection Officer and includes other members of the senior management team as well as key personnel from the business who are responsible for delivery.

All significant sales opportunities are subject to technical and contractual review by senior members of our legal, financial, commercial and technology teams. There are strict internal controls applied to the development of our systems, products and services. In order to assist with the management of risks, the Group continues to recruit individuals who are expert in our markets, technology and support disciplines. The Group has a delegation of authorities that clearly sets out the approval required for key activities, including those restricted to the Board and the Executive Directors.

The disclosure of the key risks and uncertainties in the table below reflects the approach of the Company to also look for the opportunities presented when addressing such risks. This is not an exhaustive list of all the risks faced by the Company.

The Company has undergone a period of change in strategy, senior management, operations, governance and culture. Effective risk management has remained a high priority throughout these changes.

Business Risks

a) Service Continuity Risk
The activities of the Company place significant reliance upon systems and technology. A significant down-time could affect service levels and result in financial penalties and loss of reputation. The Company has effective and efficient back up procedures and business continuity plans in place to mitigate this risk, and these are regularly updated.

b) Market
Geopolitical issues around Ukraine, global trade wars, Brexit, global recession lead to loss of business by our large customers which will impact Tungsten Network. These could lead to reduced revenue, profit and earnings together with their impact on cash flow, and could interrupt the viability of doing business in some countries. The Company is constantly reviewing market movement and regularly communicate with our main buyers to understand how any potential geopolitical factors are affecting their businesses.

c) Tax Compliance Risk
The Company ensures that invoices that are processed through our network will be compliant with applicable local tax laws. These tax laws are subject to change and the Company has increased the number of available territories for compliant invoice processing on the network each year. As such, a risk exists that invoices may not be processed in a wholly tax compliant way in a particular country. The Company engages professional, external tax advisers to provide regular country level advice in order to minimise the risk of non tax compliant processing of invoices.

d) Data Protection and Cyber Security Risk
Mitigating cyber attack is of paramount importance to the Company to ensure customer confidence in the security and availability of our products and services. The Company conducts a comprehensive review of procedures and controls as follows:

- Annual International Standards for Assurance Engagement (ISAE) 3402 Assurance Reports on Controls at a Service Organisation.
- Annual independent ISO 27001 certification, the international standard describing best practice for an Information Security Management System.

Strategic Report - continued

Principal risks and uncertainties - continued

Business Risks - continued

e) Technology

The Company continues to invest in enhancements to the infrastructure and operating systems in order to maintain our competative advantage over our competitors to protect and improve revenue, profit earnings and cash flow. The Company has governance frameworks are key to ensuring successful implementation of all aspects of the planned enhancements. The Executive Committee and Board review and challenge the status/progress of key change programmes and projects.

f) Retention and Succession Planning

The Company ensures that it is able to attract, retain, develop and motivate the best people with the appropriate capabilities to create a high quality, diverse and flexible workforce. This is achieved by staff training and development, customer relationship, leadership, social responsibility and communications programmes in place to actively engage and retain employees; Competitive remuneration packages; Focus on creation of a culture and values to attract and motivate our people; Recruitment strategy and succession planning in place including active encouragement of promotion from within.

Financial Risks

a) Credit Risk

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that sales of services are made to clients with an appropriate credit history. Cash and cash equivalents are held with reputable institutions.

b) Foreign Exchange Risk

The Company operates with US, Malaysian, German, Swiss, Mexican, Bulgarian and Indian subsidiary companies and makes sales in foreign currencies and is therefore exposed to foreign exchange risk arising from currency exposure. The Company uses foreign currency bank accounts to reduce its exposure to foreign currency translation risk.

c) Liquidity Risk

The Company is still in the growth phase of its life cycle, hence is dependent on funding from its parent to mitigate liquidity risk. The Company manages this risk through the preparation and regular review of cash flow forecasts.

On behalf of the board

Martin Oberholzer
Director
12 May 2023

Directors' Report

The Directors present their report and the audited financial statements of Tungsten Corporation Limited for the financial year ended 30 April 2022.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Cort Townsend (appointed 20 June 2022)
Christian Hefner (appointed 20 June 2022)
Martin Oberholzer (appointed 20 June 2022)
Anthony Bromovsky (resigned 20 June 2022)
Paul Cooper (appointed 16 September 2021; resigned 20 June 2022)
Andrew Coulsen (resigned 20 June 2022)
Andrew Doman (resigned 20 June 2022)
Andrew Lemonofides (resigned 8 June 2021)
Vivienne Maclachlan (resigned 16 August 2021)
Nick Wells (resigned 20 June 2022)

Results and Dividends

The profit before taxation for the year was £4.3 million (2021: loss of £34.6 million). No dividends were proposed or paid (2020: nil).

Change of control

Subsequent to the year end on 17 June 2022, the Group was acquired by the group headed by Kofax Parent Ltd, a company registered in Jersey. Kofax Parent Ltd indirectly holds 100% of the share capital of Tungsten Corporation Limited.

Director indemnities and insurance

In accordance with the Companies Act 2006 and the Company's Articles of Association, the Company has purchased Directors' and Officers' Liability Insurance which remains in place at the date of this report. The Company reviews its insurance policies on an annual basis in order to satisfy itself that its level of cover remains adequate.

The Directors are also indemnified under the Articles of Association of the Company.

Financial risk management

The Company's objectives and policies on financial risk management including information on the exposure of the Company to credit risks, liquidity risks and capital management risks are set out in Note 22 to the financial statements and in the Principal risks and uncertainties section on pages 2 to 4.

Research & development

During the year, the Company capitalised £1.9 million (FY21: £2.4 million) of software development costs relating to the in-house e-commerce software platform. Amortisation of the software platform totalled £2.8 million in the period (FY21: £2.3 million).

Greenhouse Gas Emissions

The 2018 Regulations introduced requirements under Part 15 of the Companies Act 2006 for large unquoted companies to disclose their annual energy use and greenhouse gas emissions, and related information. However, the Group has applied the option permitted to exclude any energy and carbon information relating to its subsidiary which the subsidiary would not itself be obliged to include if reporting on its own account; this applies to all subsidiaries within the Group. Tungsten Corporation Limited itself consumes less than 40MWh and therefore as a low energy user, it is not required to make the detailed disclosures of energy and carbon information but is required to state, in its relevant report, that its energy and carbon information is not disclosed for that reason. Tungsten Corporation Limited's annual energy use and greenhouse gas emissions, and related information has not been disclosed in this Annual report as it is a low energy user.

Directors' Report - continued

Going concern statement

The Group going concern assessment is based on forecasts and projections of anticipated trading performance, including assessment of downside and severe downside scenarios. The assumptions applied are subjective and management applies judgement in estimating the probability, timing and value of underlying cash flows.

The continued impact of the situation in Ukraine on Tungsten Corporation Limited ('the company'), has been limited compared to many other organisations, however, the potential effect on the business still warrants focus and real time management.

The Company has received a letter of support from Kofax Parent Ltd, a parent company. The Group has modelled the effects of future expected trading and other cash flows within the Group, and have prepared cash flow forecasts for a period in excess of 12 months from the date of approval of these financial statements.

On consideration of the above, the Directors believe that the Group has adequate resources to continue in operational existence for 12 months from approval of these financial statements and the Directors therefore consider it is appropriate to adopt the going concern basis in preparing the FY22 financial statements.

While the Directors have no reason to believe that cash flows will decline to the point that the Group no longer has sufficient resources to fund its operations, should this occur, the Group may need to seek additional funding from the group companies.

Post balance sheet events

On 17 June 2022, the group headed by Tungsten Corporation plc was acquired by Project California Bidco Ltd, a company within the group headed by Kofax Parent Ltd, a company registered in Jersey. As a result of the acquisition by Kofax of the Tungsten group the existing share-based payment schemes were accelerated and settled as part of the buyout transaction.

On 17 June 2022, the trading of shares in the Company on the Alternative Investment Market of the London Stock Exchange was suspended and, following the acquisition of the Company by Project California Bidco Ltd, was removed from listing on the Alternative Investment Market of the London Stock Exchange Company on 20 June 2022.

On 20 June 2022, the group headed by Tungsten Corporation plc was transferred to Project Leopard Acquireco Ltd, a company within the group headed by Kofax Parent Ltd, a company registered in Jersey.

On 23 June 2022, Tungsten Corporation plc was reregistered as a private company under the name of Tungsten Corporation Limited.

On July 20 2022, Kofax Parent Ltd the ultimate parent company of Kofax, was sold to Snow Bidco Ltd, the ultimate parent company becoming Kofax CayCo Ltd with effect from this date.

On 22 August 2022, the Group voluntarily repaid its revolving credit facility agreement of up to £4.0 million, which was due to expire in December 2023. The Group was in compliance with all covenants for the year ended 30 April 2022.

On 22 December 2022, Tungsten Network Inc was transferred to Project Leopard Acquireco Ltd, the parent company of Tungsten Corporation Limited at fair market value of £24.3m as a dividend in specie.

On 1 January 2023, the business, assets and liabilities, excluding investments and inter-company balances, of Tungsten Network Limited were transferred to Kofax UK Ltd at book value. Kofax UK Ltd sits within the wider group headed by Kofax Parent Ltd.

Other than the matters noted above, there are no known material adjusting or unadjusting events occurring between the balance sheet date and the date when the financial statements were authorised for issue.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for 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.

Disclosure of information to auditors

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

Independent Auditors

During the year, BDO LLP were reappointed as the Company's external auditors and BDO LLP will continue in office as auditors.

Statement of Compliance with Section 172 of the Companies Act 2006

Recent legislation requires that Directors include a separate statement in the Annual report that explains how they have had regard to wider stakeholder needs when performing their duty under Section 172(1) of the Companies Act 2006. This duty requires that a Director of a company must act in the way he or she 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 (amongst other matters) to:

a) the likely consequences of any decision in the long-term;
b) the interests of the Company's employees;
c) the need to foster the Company's business relationships with suppliers, customers and others;
d) the impact of the Company's operations on the community and the environment;
e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly as between members of the Company.

Guidance recommends that in connection with its statement, the Board describes in general terms how key stakeholders, as well as issues relevant to key decisions are identified, and also the processes for engaging with key stakeholders and understanding those issues. It is the Board's view that these requirements are predominantly addressed in the corporate governance disclosures we have made in the Directors' report, which are themselves more extensively discussed on the Company's website.

Guidance also recommends that more detailed description is limited to matters that are of strategic importance in order to remain meaningful and informative for shareholders.

The Board believes that two decisions in particular taken during the year fall into this category, and engaged with internal and external stakeholders on this.

1. Covid-19 response

During the year, the Group investigated the potential sale of the business which subsequently lead to offers from two parties, Kofax and Pagero. Through a competitive tender arrangement, various offers were made with an offer from Kofax being accepted by shareholders post year end. On 17 June 2022, the Group was sold to Kofax at 55p per share and the Company was delisted from AIM and reregistered as a private limited company, Tungsten Corporation Ltd.

2. Working capital management

The Group and the Board continue to monitor and improve its working capital position, through regular reviews of cash flow and cash flow re-forecasting. We continue to optimise our cash position by ensuring that we optimise our payment terms with both customers and suppliers for both new contracts and contract renewals. We continue to focus on our cash collections and overdues to anticipate any payment issues in advance, ensuring proactive views of collections.

None of the key decisions considered by the Board in FY22 had an environmental impact and the Directors are satisfied that decisions made by the Board promote the long-term interest of Tungsten for the benefit of its members as a whole.

The strategic report was approved by the Board on 12 May 2023 and signed on its behalf by

Martin Oberholzer
Director

Independent auditor's report

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 30 April 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Tungsten Corporation Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 April 2022 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, company statement of financial position, company statement of changes in equity, company statement of cash flows 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 UK adopted international accounting standards.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors 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.

Other information (continued)

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 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, 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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.

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 Parent Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those relating to the reporting framework, Companies Act 2006, data privacy and the relevant tax regulations including but not limited to, Corporate and VAT legislation, and Employment Taxes.

- We assessed how the Group and Parent Company are complying with legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes. We also reviewed the tax computations and returns and financial statements disclosures against the requirements of the relevant tax legislation and applicable accounting frameworks respectively.

- We communicated relevant legal and regulatory frameworks 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.

- We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where they considered there was a susceptibility to fraud.

- Our audit planning identified fraud risks in relation to management override and inappropriate or incorrect recognition of revenue. We obtained an understanding of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls.

- In response to the risk of management override of control, our procedures included journal entry testing, with a focus on unusual transactions based on our knowledge of the business which were agreed to supporting documentation where applicable; and enquiries of Management and those charged with governance regarding any instances of known or suspected fraud during the year. We challenged management's assessments, assumptions and evaluated data used as the basis for making estimates to assess whether judgements made in making accounting estimates are indicative of potential bias by management.

- 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

Independent auditor's report - continued

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 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.

DocuSigned by:
Julian Frost
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Julian Frost (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

16 May 2023

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

Consolidated income statement

	Note	**Year ended 30 April 2022 £'000**	Year ended 30 April 2021 £'000
Revenue	4	**37,653**	36,116
Operating expenses	5	**(33,444)**	(69,358)
Operating profit/(loss)		**4,209**	(33,242)
Finance income	9	**2,273**	1,702
Finance costs	9	**(2,156)**	(3,083)
Net finance income/(costs)	9	**117**	(1,381)
Profit/(loss) before taxation		**4,326**	(34,623)
Taxation charge	10	**(89)**	(63)
Profit/(loss) for the year		**4,237**	(34,686)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Profit/(loss) for the year	**4,237**	(34,686)
Other comprehensive (expense)/ income:		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(4,513)**	3,832
Total comprehensive loss for the year	**(276)**	(30,854)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

	Note	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Assets			
Non-current assets			
Goodwill	11	**49,819**	49,616
Intangible assets	11	**15,500**	16,895
Property, plant and equipment	12	**645**	693
Right of use assets	12,18	**3,153**	3,585
Trade and other receivables	13	**810**	687
Total non-current assets		**69,927**	71,476
Current assets			
Trade and other receivables	13	**6,184**	4,720
Cash and cash equivalents	14	**5,492**	4,117
Total current assets		**11,676**	8,837
Total assets		**81,603**	80,313
Non-current liabilities			
Provisions	17	**1,161**	1,160
Lease liabilities	18	**3,922**	4,712
Other payables	19	**48**	-
Total non-current liabilities		**5,131**	5,872
Current liabilities			
Trade and other payables	19	**8,508**	6,776
Provisions	17	**-**	363
Lease liabilities	18	**797**	731
Borrowings	20	**1,973**	1,964
Contract liabilities	21	**9,013**	8,367
Total current liabilities		**20,291**	18,201
Total liabilities		**25,422**	24,073
Capital and reserves attributable to the equity shareholders of the parent			
Share capital	15	**555**	554
Share premium	15	**188,973**	188,866
Merger reserve		**28,035**	28,035
Shares to be issued	16	**3,760**	3,760
Share-based payment reserve		**5,682**	5,796
Other reserve		**(5,450)**	(5,450)
Currency translation reserve		**(5,759)**	(1,246)
Accumulated losses		**(159,615)**	(164,075)
Total equity		**56,181**	56,240
Total equity and liabilities		**81,603**	80,313

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 13 to 48 of Tungsten Corporation Limited (registered number 07934335) were authorised for issue by the Board of Directors on 12 May 2023 and were signed on its behalf:

Martin Oberholzer
Director

Tungsten Corporation Limited **Registered Number: 07934335**

Consolidated statement of changes in equity

Year ended 30 April 2022

	Share capital £'000	Share premium £'000	Merger reserve £'000	Shares to be issued £'000	Share-based payment reserve £'000	Other reserve £'000	Currency translation reserve £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 May 2021	554	188,866	28,035	3,760	5,796	(5,450)	(1,246)	(164,075)	56,240
Profit for the year	-	-	-	-	-	-	-	4,237	4,237
Other comprehensive loss	-	-	-	-	-	-	(4,513)	-	(4,513)
Total comprehensive income/ (expense) for the year	-	-	-	-	-	-	**(4,513)**	**4,237**	**(276)**
Transactions with owners in their capacity as owners:									
Forfeited vested share-based payments	-	-	-	-	(223)	-	-	223	-
Share-based payments exercised	1	107	-	-	(107)	-	-	-	1
Share-based payment expense	-	-	-	-	216	-	-	-	216
Transactions with owners	**1**	**107**	-	-	**(114)**	-	-	**223**	**217**
Balance as at 30 April 2022	**555**	**188,973**	**28,035**	**3,760**	**5,682**	**(5,450)**	**(5,759)**	**(159,615)**	**56,181**

Year ended 30 April 2021

	Share capital £'000	Share premium £'000	Merger reserve £'000	Shares to be issued £'000	Share-based payment reserve £'000	Other reserve £'000	Currency translation reserve £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 May 2020	553	188,802	28,035	3,760	7,184	(5,450)	(5,078)	(130,993)	86,813
Loss for the year	-	-	-	-	-	-	-	(34,686)	(34,686)
Other comprehensive income	-	-	-	-	-	-	3,832	-	3,832
Total comprehensive income/ (expense) for the year	-	-	-	-	-	-	**3,832**	**(34,686)**	**(30,854)**
Transactions with owners in their capacity as owners:									
Forfeited vested share-based payments	-	-	-	-	(1,604)	-	-	1,604	-
Share-based payments exercised	1	64	-	-	(64)	-	-	-	1
Share-based payment expense	-	-	-	-	280	-	-	-	280
Transactions with owners	**1**	**64**	-	-	**(1,388)**	-	-	**1,604**	**281**
Balance as at 30 April 2021	**554**	**188,866**	**28,035**	**3,760**	**5,796**	**(5,450)**	**(1,246)**	**(164,075)**	**56,240**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

	Note	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Cash flows from operating activities			
Profit/(loss) for the year before taxation		**4,326**	(34,623)
Adjustments for:			
Depreciation and amortisation	5	**4,125**	4,274
Impairment of goodwill	11	**-**	26,160
Impairment of customer relationships	11	**-**	100
Impairment of right of use asset	12	**-**	1,121
Impairment of leasehold improvements	12	**-**	544
Loss on disposal of intangible assets		**-**	99
Loss on disposal of tangible assets		**10**	1
Gain on reclassification of right of use asset		**(137)**	-
Increase in provision for trade receivables	13	**42**	77
Finance costs	9	**2,156**	3,083
Finance income	9	**(2,273)**	(1,702)
Foreign exchange (gain)/loss	5	**(3,666)**	3,275
Share-based payment expense	6,16	**216**	280
Changes in working capital:			
(Decrease)/increase in trade and other receivables		**(1,249)**	1,346
Decrease/(increase) in trade and other payables and contract liabilities		**1,659**	(1,585)
(Decrease)/increase in provisions		**(368)**	267
Cash generated from operations		**4,841**	2,717
Net tax paid		**(132)**	(15)
Net cash inflow from operating activities		**4,709**	2,702
Cash flows from investing activities			
Software development costs	11	**(1,942)**	(2,404)
Purchases of other intangibles	11	**-**	(182)
Purchases of property, plant and equipment	12	**(132)**	(24)
Net cash outflow from investing activities		**(2,074)**	(2,610)
Cash flows from financing activities			
Lease payments – payments of principal	18	**(751)**	(756)
Lease payments – payments of interest	18	**(257)**	(337)
Net interest paid		**(355)**	(168)
Proceeds from borrowings	20	**-**	2,000
Repayment of borrowings	20	**-**	(2,000)
Proceeds from issues of shares		**1**	65
Net cash outflow from financing activities		**(1,362)**	(1,196)
Net increase/(decrease) in cash and cash equivalents		**1,273**	(1,104)
Cash and cash equivalents at start of the year		**4,117**	5,208
Exchange adjustments		**102**	13
Cash and cash equivalents at the end of the year	14	**5,492**	4,117

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. General information

Tungsten Corporation Limited (the 'Company') and its subsidiaries (together, the 'Group') is a global e-invoicing network that offers trade finance and spend analytics.

The Company is a private limited company, which is incorporated and domiciled in England and Wales. The address of its registered office is Leaf A, Level 1, Tower 42, 25 Old Broad Street, London EC2N 1HQ.

These financial statements are for the Group, consisting of the Company and its subsidiaries.

2. Accounting policies

(a) Basis of preparation

The consolidated financial statements of Tungsten Corporation Limited have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act of 2006 ('IFRS'). These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The assumptions applied are subjective and management applies judgement in estimating the probability, timing and value of underlying cash flows as disclosed in Note 3.

These policies have been consistently applied to all the years presented.

(b) Going concern

The consolidated financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern is contingent on the ongoing viability of the Group. The Group meets its day-to-day working capital requirements through its cash balances.

The Group going concern assessment is based on forecasts and projections of anticipated trading performance, including assessment of downside and severe downside scenarios. The assumptions applied are subjective and management applies judgement in estimating the probability, timing and value of underlying cash flows.

The continued impact of the situation in Ukraine on Tungsten Corporation Limited ('the company'), has been limited compared to many other organisations, however, the potential effect on the business still warrants focus and real time management.

The Company has received a letter of support from Kofax Parent Ltd, a parent company. The Group has modelled the effects of future expected trading and other cash flows within the Group, and have prepared cash flow forecasts for a period in excess of 12 months from the date of approval of these financial statements.

On consideration of the above, the Directors believe that the Group has adequate resources to continue in operational existence for the next 12 months from approval of these financial statements and the Directors therefore consider it is appropriate to adopt the going concern basis in preparing the FY22 financial statements.

While the Directors have no reason to believe that cash flows will decline to the point that the Group no longer has sufficient resources to fund its operations, should this occur, the Group may need to seek additional funding from the group companies.

2. Accounting policies, continued

(c) Adjusted measure of performance

The Group considers Adjusted EBITDA (excluding lease payments), which is defined as earnings before net finance cost, tax, depreciation and amortisation, impairment of goodwill, impairment of intangible assets, impairment of right of use assets, impairment of leasehold improvements, loss on disposal of assets, foreign exchange gain or loss, share-based payment expense and exceptional items, as the most appropriate measure of the Group's underlying performance.

(d) New standards, amendments and interpretations adopted

The Group has adopted the following new or amended IFRSs and IFRIC interpretations from 1 May 2021:

Standard	Effective date
Amendment to IFRS 7: 'Financial Instruments: Disclosures Amendments regarding replacement issues in the context of the IBOR reform (issued on 27 August 2020)	1 January 2021
Amendment to IFRS 16: 'Leases Amended by Interest Rate Benchmark Reform (issued on 27 August 2020)	1 April 2021
Amendment to IFRS 16: 'Leases Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification' (issued on 31 March 2021)	1 April 2021

This new standards have not had a material impact on the Group's consolidated financial statements.

(e) New standards, amendments and interpretations issued but not yet effective:

There are no new standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods.

(f) Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries (the 'Group') as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Notes to the consolidated financial statements - continued

2. Accounting policies, continued

(g) Revenue

The Group derives revenue from the following sources:

- Initial set up fees.
- Annual subscription fees, which includes the right to use the Tungsten platform, including ongoing customer support and relevant upgrades to the platform as required.
- Transaction fees which are based on the number of transactions the customer undertakes.

The Group's contractual arrangements contain multiple deliverables or services such as implementation or initial set up services, which generally do not involve customisation of the Tungsten Network platform, support services which includes call centre assistance, maintenance services and transaction fees.

The Group assesses whether there are distinct performance obligations at the start of each contract. The Group has identified the following separate performance obligations:

- Initial set up services – The initial set up services do not require additional development or customisation to the Tungsten Network platform and could be performed by an external third party. The transaction price is allocated based on the stand-alone selling price, derived from list prices and recognised over time, based on the effort incurred, but limited to the amount to which the Group has a right to payment. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases are reflected in the income statement in the period in which the change of assumptions arises.
- Periodic right to use the Tungsten Network platform – In the event that the annual subscription fees contain a right to use the platform, there is a right to use element. If there is a right of clawback on the annual right to use, such amounts are recognised throughout the period. Where there is no right of clawback, the annual right to use is recognised in full when there is a right of collection and collection is relatively assured.
- Support services – This represents the stand-alone selling price of the ongoing support and maintenance, which is recognised throughout the period as services are delivered.
- Transaction fees – This represents the stand-alone selling price of the individual transaction at the point in time the customer transacts. If there is evidence that transactions sold, and invoiced, will not be delivered, the revenue is recognised immediately in the income statement.

Revenue related to contract liabilities

Revenue related to contract liabilities is revenue invoiced to customers where the relevant performance obligation has not been delivered.

2. Accounting policies, continued

(h) Employee benefits

Defined contribution plans

The Group pays contributions to publicly or privately administered pension plans. The Group has no further payment obligations once the contributions have been paid. Contributions are recognised in the income statement as an employee benefit expense in the period in which they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

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

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 the income statement over the remaining vesting period.

Where options are cancelled within the vesting period, the remaining cost of the options is accelerated and charged to the income statement in the year.

The value of share-based payment is taken directly to reserves and the charge for the period is recorded in the income statement.

Tungsten's scheme, which awards shares in the parent entity, includes recipients who are employees in subsidiaries. In the consolidated financial statements, the transaction is treated as an equity-settled share-based payment, as the subsidiary has received services in consideration for Tungsten's equity instruments. An expense is recognised in the consolidated income statement for the fair value of share-based payment over the vesting year, with a credit recognised in equity.

In the subsidiaries' financial statements, the awards, in proportion to the recipients who are employees in said subsidiary, are treated as an equity-settled share-based payment, as the subsidiaries do not have an obligation to settle the award. An expense for the grant date fair value of the award is recognised over the vesting period, with a credit recognised in equity. The credit is treated as a capital contribution, as the parent company is compensating the subsidiaries' employees with no cost to the subsidiaries as there is no expectation to recharge the cost. In the parent company's financial statements, there is no share-based payment charge where the recipients are employed by a subsidiary, with the parent company recognising an increase in the investment in the subsidiaries as a capital contribution from the parent and a credit to equity.

Cash-settled share-based payments are recognised as an expense in the income statement with a corresponding credit to liabilities.

(i) Foreign currency translation

The functional currency of the Company is Pounds Sterling as that is the currency of the primary economic environment in which the Company operates. The Group's presentation currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Notes to the consolidated financial statements - continued

2. Accounting policies, continued

(i) Foreign currency translation, continued

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within finance income or costs. All other foreign exchange gains and losses are presented in the consolidated income statement within 'operating expenses'.

Group companies

The results and financial position of Group entities that have a functional currency other than sterling are translated into sterling as follows:

- Assets and liabilities are translated at the closing rate at the balance sheet date.
- Income and expenses are translated at the exchange rate prevailing on the transaction date.

All resulting exchange differences are recognised in other comprehensive income.

The following exchange rates were applied:

	As at 30 April 2022	As at 30 April 2021
Closing rates:		
United States Dollar	**1.2463**	1.3955
Euro	**1.1867**	1.1500
Mexican Peso	**25.4972**	27.7630
Bulgarian Lev	**2.3210**	2.2491
Malaysian Ringgit	**5.4389**	5.7252
Swiss Franc	**1.2113**	1.2684
Indian Rupee	**95.5110**	103.7142
Average rates:		
United States Dollar	**1.3590**	1.3167
Euro	**1.1787**	1.1213
Mexican Peso	**27.6202**	27.9487
Bulgarian Lev	**2.3053**	2.1932
Malaysian Ringgit	**5.6880**	5.4742
Swiss Franc	**1.2506**	1.2110
Indian Rupee	**101.4283**	97.6343

(j) Finance income and costs

Finance costs comprise interest payable on borrowings and foreign exchange loss on the revaluation of intercompany loans. Finance income comprises interest receivable on funds invested, and foreign exchange gains on the revaluation of intercompany loans. Interest income and expenses are recognised on a time apportioned basis, using the effective interest method.

(k) Exceptional items

Items which are both material and considered by the Directors to be unusual in nature are separately disclosed on the face of the consolidated income statement.

Notes to the consolidated financial statements - continued

2. Accounting policies, continued

(l) Current and deferred income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement 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 on the taxable income for the year and any adjustment to tax payable in respect of previous years. Current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is calculated 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 asset can be utilised. Deferred tax assets are not recognised to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(m) Research and development tax credit

The Group as a whole (and companies, individually, within the Group) may be entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R&D tax credits). The Group and Company accounts for such allowances as tax credits, and they are recognised when it is probable that benefit will flow to the Group and that benefit can be reliably measured. R&D tax credits reduce current tax expense and, to the extent the amounts due in respect to them are not settled by the balance sheet date, reduce current tax payable.

(n) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

2. Accounting policies, continued

(o) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The estimated useful lives are as follows:

- Leasehold improvements: depreciated over term of lease.
- Furniture and fittings: 3 to 5 years.
- Computer equipment: 2 to 5 years.

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(p) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (where the underlying asset has a value of less than $5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the future lease payments, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, and initial direct costs, less lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right of use asset, the costs are included in the related right of use asset.

Right of use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

2. Accounting policies, continued

(p) Leases, continued

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. The Group has classified one of its subleases as an operating lease and the rental income is recognised in the income statement in operating expenses on a straight-line basis over the lease term. During the year the Group entered into a subleases which it designated as a finance lease where a finance lease receivable was recognised by reference to the discounted value of future rent receivable and the right of use asset was de-recognised with a gain on reclassification recognised through the income statement.

The carrying value of right of use assets and finance lease receivable are reviewed at each balance sheet date. Any changes in assumptions in relation to the terms of a lease such as agreed rent reviews or change in expectation of the duration of the lease are adjusted by revaluing the associated lease liability and adjusting both the lease liability and the right of use asset by the same value. The right of use assets are also reviewed for signs of impairment and, where required, an impairment charge is made to the income statement.

If the Group has substantially transferred all the risks and rewards of the lease, a sublease leads to the de-recognition of the right of use asset and the recognition of an investment receivable in respect of this sublease. If the Group has not substantially transferred the lease, the Group retains its right of use asset. The lease liability remains in respect of the head lease as a lease liability on the balance sheet.

(q) Intangible assets

Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised immediately in the income statement.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount of the cash-generating unit to which the goodwill has been allocated, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Intangible assets acquired in a business combination

Acquired intangible assets include customer relationships and an IT platform acquired in a business combination. Acquired intangible assets are recognised at fair value at the acquisition date and are amortised on a straight-line basis over their estimated useful lives as follows:

- Customer relationships: 20 years.
- IT platform: 5 to 7 years.

Impairment reviews are undertaken if events or changes in circumstances indicate a potential impairment. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2. Accounting policies, continued

(q) Intangible assets, continued

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incur

Development costs for incomplete software are recognised as software development under construction in the balance sheet and are not amortised as these assets are not yet available for use.

Development costs for completed software are recognised as software in the balance sheet and are amortised over their estimated useful lives of between 3 to 5 years.

Acquired software licences are capitalised at the costs incurred to acquire and bring into use the specific software. Software licence costs are amortised over their estimated useful lives, which do not exceed five years.

(r) Financial assets and financial liabilities

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

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 Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

2. Accounting policies, continued

(s) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(t) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and are generally classified as current. Non-current receivables relate to loan receivables from employees.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. Due to their short-term nature, the carrying value of current receivables is considered to be same as the fair value.

The Group applies IFRS 9's simplified approach to measuring expected credit losses which uses a 12-month expected credit loss approach for all trade receivables. To measure the expected credit losses, trade receivables have been analysed based on the days past due and those balances in query. The expected credit loss rates are based on management expectation derived from default rates for invoices raised in the prior year and taking into account collection actions and forward-looking information on economic factors affecting future expected settlement.

(u) Trade and other payables

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost.

(v) Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the obligation will have to be settled, and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the amount required to settle the obligation.

(w) Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value, net of transaction costs incurred and carried subsequently at amortised cost.

(x) Share capital

Ordinary shares are classified as equity.

Notes to the consolidated financial statements - continued

2. Accounting policies, continued

(y) Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Merger reserve	Represents the difference between the fair value and the nominal value of shares issued on the acquisition of subsidiary companies where the Company has elected to take advantage of merger relief.
Shares to be issued	Shares for which consideration has been received but which are not yet issued.
Share-based payment reserve	Accumulated share-based payment charges relating to outstanding awards.
Other reserve	The difference between the premium on the Tungsten Corporation Limited ordinary shares issued in exchange for the Tungsten Corporation Guernsey Ltd ordinary B shares.
Currency translation reserve	Represents gains/losses arising on retranslating the net assets of overseas operations into sterling.
Accumulated losses	All other net gains and losses and transactions with owners not recognised elsewhere.

3. Critical accounting estimates and judgements

The preparation of financial statements, in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported value of assets and liabilities, income and expense. Actual results may differ from these estimates or judgements of likely outcome. Management have identified the following judgements and key sources of estimation uncertainty that could potentially result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of goodwill and other intangible assets

The Group has carried out an impairment review of the Tungsten Network cash-generating unit ('CGU') and no impairment is required on goodwill in the year. The recoverable amount of the CGU is based on sale of the business on 17 June 2022 to the group headed by Kofax Parent Ltd for 55p per share, less sales costs.

Revenue recognition

The Group recognises revenue in respect of e-invoicing related services over the period the services are provided. Where buyer transactions are paid for but not processed, a contract liability is recorded according to contractual terms representing the anticipated period for transactions being processed.

Management reviews the historical record of transactions used under each contract and adjusts the contract liability to reflect the delivery of obligations and the associated revenue to be recognised. This estimate affects contract liabilities (see Note 21).

Going concern

The consolidated financial statements have been prepared on a going concern basis. In reaching their assessment, the Directors have considered a period extending at least 12 months from the date of approval of this financial report. This assessment has included consideration of the forecast performance of the business for the foreseeable future, the cash and financing facilities available to the Group, and the repayment terms in respect of the Group's borrowings.

Capitalisation of development costs

Projects under development are capitalised if management intend to complete the project, it is technically feasible to do so and the carrying value of the software is supported by expected future benefits.

Exceptional items

The classification of exceptional items requires significant management judgement to determine the nature and intentions of a transaction. Details of exceptional items are shown in Note 7.

4. Revenue

Revenue reported for the year relates solely to revenue from contracts with customers. When revenue recognised in respect of a customer contract exceeds amounts received or receivable from a customer, a contract asset is recognised. If amounts received or receivable from a customer exceed revenue recognised for a contract, a contract liability is recognised.

Revenue by category

The Group's revenue by category is detailed below.

	Revenue from external customers	
	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Recurring revenue - Subscriptions	**18,848**	18,966
Repeatable revenue – Transactions and Archiving	**16,631**	14,574
Recurring revenue and repeatable revenue	**35,479**	33,540
Other revenue	**2,174**	2,576
Total revenue	**37,653**	36,116

5. Operating expenses

	Note	**Year ended 30 April 2022 £'000**	Year ended 30 April 2021 £'000
Staff costs	6	**15,110**	15,845
Professional support		**7,496**	7,386
Office costs		**919**	1,021
IT costs		**3,605**	4,071
Marketing costs		**1,277**	1,178
Travel and entertainment		**40**	12
Exceptional items	7	**2,318**	2,084
Amortisation	11	**3,388**	3,102
Depreciation	12	**737**	1,172
Impairment of goodwill	11	**-**	26,160
Impairment of customer relationships	11	**-**	100
Impairment of right of use asset	12	**-**	1,121
Impairment of leasehold improvements	12	**-**	544
Loss on disposal of intangible assets	11	**-**	99
Foreign exchange (gain)/loss		**(3,666)**	3,275
Other operating expenses		**2,220**	2,188
Total operating expenses		**33,444**	69,358

6. Employee benefits expenses

	Note	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Wages and salaries		**12,962**	13,050
Social security costs		**1,460**	1,465
Pension - defined contribution		**631**	1,050
Share-based payment expense	16	**57**	280
Total employee benefits expenses		**15,110**	15,845

The total share-based payment charge is £216,000 (2021: £280,000). The total charge includes movements in employment taxes connected with the share-based payment. The total share-based payment charge for the year includes £159,000 in relation to an external supplier (2021: £nil).

	Year ended 30 April 2022	Year ended 30 April 2021
Number of employees		
The yearly average number of people employed:		
Tungsten Network	**208**	246
Tungsten Network Finance	**-**	2
Corporate	**13**	12
Total average headcount	**221**	260

Refer to Note 23 for details of remuneration in respect of key management.

Directors' remuneration

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Wages and salaries	**1,081**	862
Social security costs	**155**	111
Pension - defined contribution	**19**	16
Share-based payment expense	**43**	208
Total employee benefits expenses	**1,298**	1,197

There were 8 Directors in the year (2021: 7).

Notes to the consolidated financial statements - continued

7. Exceptional items

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Restructuring costs[1]	-	1,498
Board operating review[2]	-	391
Professional advice[3]	-	118
Costs related to sale of company	1,157	-
Settlement of employment claim[4]	1,161	-
Covid-19 related staff costs	-	77
Total exceptional items	**2,318**	2,084

(1) Restructuring costs consist of contract terminations and other redundancy costs.
(2) An operating review Committee was initiated by the Board. This covers a comprehensive review of Tungsten's market, products, operation and cost base. This Committee has appointed consultants to perform parts of the review.
(3) Professional advice consists of one-off professional fees in relation to additional costs related to Covid-19.
(4) The Settlement of employment claim was finalised and settled during the year.

8. Auditor's remuneration

During the year the Group (including overseas subsidiaries) obtained the following services from its auditor and their associates:

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Audit of the Parent Company and the consolidated accounts	82	81
Audit of subsidiary financial statements	89	88
Audit-related assurance services	28	28
Total auditor's remuneration	**199**	197

9. Finance income and costs

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Finance income		
Interest income on short-term deposits	1	1
Interest on finance lease receivables	2	-
Foreign exchange gains on financing activities	2,270	1,701
Total finance income	**2,273**	1,702
Finance costs		
Interest expense and bank charges	(348)	(335)
Interest expense on lease liabilities (Note 18)	(257)	(337)
Foreign exchange losses on financing activities	(1,551)	(2,411)
Total finance costs	**(2,156)**	(3,083)
Net finance costs	**117**	(1,381)

10. Taxation

The tax charge for the year comprises:

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Current tax		
UK current tax	**1**	-
Foreign current tax	**88**	63
Deferred tax		
Deferred tax – current year	**-**	-
Total tax charge	**89**	63
Tax reconciliation		
Loss before tax	**4,327**	(34,623)
Loss before tax at the standard rate of UK corporation tax 19% (2021: 19%)	**822**	(6,578)
Differences in overseas tax rates	**(29)**	(217)
Income not chargeable for tax purposes	**(1,275)**	-
Expenses not deductible for tax purposes	**277**	6,293
Tax losses for which no deferred tax asset was recognised	**294**	565
Total tax charge	**89**	63

The standard rate of corporation tax in the UK is 19%.

Deferred tax

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is considered more likely than not. The Group has unrecognised deferred tax assets of £20.7 million (2021: £21.3 million) in respect of losses that can be carried forward against future taxable income for the period between one year and an indefinite period of time.

No deferred tax is related to components of other comprehensive income.

Notes to the consolidated financial statements - continued

11. Intangible assets

As at 30 April 2022

	Goodwill	Customer relationships	IT platform	Software	Software development under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Balance at 1 May 2021	98,748	11,107	6,979	14,403	1,763	**133,000**
Additions	-	-	-	-	1,942	**1,942**
Reclassification	-	-	-	1,360	(1,360)	-
Disposal	-	-	-	(430)	-	**(430)**
Exchange differences	372	13	321	84	2	**792**
Balance at 30 April 2022	**99,120**	**11,120**	**7,300**	**15,417**	**2,347**	**135,304**
Accumulated amortisation and impairment						
Balance at 1 May 2021	49,132	4,354	6,976	6,027	-	**66,489**
Charge for the year	-	542	3	2,843	-	**3,388**
Disposal	-	-	-	(430)	-	**(430)**
Exchange differences	169	13	321	35	-	**538**
Balance at 30 April 2022	**49,301**	**4,909**	**7,300**	**8,475**	-	**69,985**
Net book value						
As at 1 May 2021	49,616	6,753	3	8,376	1,763	66,511
As at 30 April 2022	**49,819**	**6,211**	-	**6,942**	**2,347**	**65,319**

Notes to the consolidated financial statements - continued

11. Intangible assets, continued

As at 30 April 2021

	Goodwill £'000	Customer relationships £'000	IT platform £'000	Software £'000	Software development under construction £'000	Total £'000
Cost						
Balance at 1 May 2020	99,128	11,121	7,307	11,503	2,260	**131,319**
Additions	-	-	-	182	2,404	**2,586**
Reclassification	-	-	-	2,776	(2,776)	-
Disposal	-	-	-	-	(99)	**(99)**
Exchange differences	(380)	(14)	(328)	(58)	(26)	**(806)**
Balance at 30 April 2021	**98,748**	**11,107**	**6,979**	**14,403**	**1,763**	**133,000**
Accumulated amortisation and impairment						
Balance at 1 May 2020	23,040	3,717	7,022	3,786	-	**37,565**
Charge for the year	-	550	281	2,271	-	**3,102**
Impairment charge (Note 5)	26,160	100	-	-	-	**26,260**
Disposal	-	-	-	-	-	-
Exchange differences	(68)	(13)	(327)	(30)	-	**(438)**
Balance at 30 April 2021	**49,132**	**4,354**	**6,976**	**6,027**	-	**66,489**
Net book value						
As at 1 May 2020	76,088	7,404	285	7,717	2,260	93,754
As at 30 April 2021	**49,616**	**6,753**	**3**	**8,376**	**1,763**	**66,511**

Impairment testing is carried out at cash-generating unit ('CGU') level on an annual basis and when there are indicators of impairment. The following is a summary of the goodwill allocation for each reporting segment:

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Tungsten Network	**49,819**	49,616
Total goodwill	**49,819**	49,616

Subsequent to the year end on 17 June 2022, the Group was sold to the group headed by Kofax Parent Ltd for 55p per share representing a valuation of £70,574k. This compared to the net assets of £55,532k. After taking into account the cost to sell of £2,221k, this gives headroom of £12,821k so no impairment was required.

12. Property, plant and equipment

As at 30 April 2022

	Right of use assets £'000	Leasehold improve-ments £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost					
Balance at 1 May 2021	9,396	2,110	273	782	**12,561**
Additions	115	65	-	67	**247**
Reclassification of Right of use assets	(213)	-	-	-	**(213)**
Disposals	-	-	-	(95)	**(95)**
Exchange differences	101	6	13	30	**150**
Balance at 30 April 2022	**9,399**	**2,181**	**286**	**784**	**12,650**
Accumulated depreciation					
Balance at 1 May 2021	5,811	1,503	242	727	**8,283**
Charge for the year	558	123	15	41	**737**
Reclassification of Right of use assets	(207)	-	-	-	**(207)**
Disposals	-	-	-	(91)	**(91)**
Exchange differences	84	4	13	29	**130**
Balance at 30 April 2022	**6,246**	**1,630**	**270**	**706**	**8,852**
Net Book Value					
At 1 May 2021	3,585	607	31	55	**4,278**
At 30 April 2022	**3,153**	**551**	**16**	**78**	**3,798**

As at 30 April 2021

	Right of use assets £'000	Leasehold improve-ments £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost					
Balance at 1 May 2020	9,853	2,342	298	795	**13,288**
Additions	32	-	1	23	**56**
Disposals	(372)	(215)	(13)	-	**(600)**
Exchange differences	(117)	(17)	(13)	(36)	**(183)**
Balance at 30 April 2021	**9,396**	**2,110**	**273**	**782**	**12,561**
Accumulated depreciation					
Balance at 1 May 2020	4,335	958	233	666	**6,192**
Charge for the year	818	228	32	94	**1,172**
Impairment of assets	1,121	544	-	-	**1,665**
Disposals	(372)	(215)	(12)	-	**(599)**
Exchange differences	(91)	(12)	(11)	(33)	**(147)**
Balance at 30 April 2021	**5,811**	**1,503**	**242**	**727**	**8,283**
Net Book Value					
At 1 May 2020	5,518	1,384	65	129	**7,096**
At 30 April 2021	**3,585**	**607**	**31**	**55**	**4,278**

Notes to the consolidated financial statements - continued

13. Trade and other receivables

Non-current assets	**As at 30 April 2022 £'000**	As at 30 April 2021 £'000
Loans to employees under EMSS scheme	**35**	99
Finance lease receivables	**69**	-
Rent deposit	**706**	588
Other receivables	**810**	687

Current assets	**As at 30 April 2022 £'000**	As at 30 April 2021 £'000
Trade receivables	**3,445**	2,983
Less: loss allowance	**(223)**	(179)
Net trade receivables	**3,222**	2,804
Finance lease receivables	**64**	-
Prepayments	**962**	1,183
VAT receivables	**224**	-
Contract assets	**615**	384
Corporate tax receivables	**962**	67
Other receivables	**135**	282
Trade and other receivables	**6,184**	4,720

Contract assets represents income earned during the year but not yet invoiced at the reporting date. Amounts are settled within 12 months.

Movements in the trade receivables loss allowance	**Year ended 30 April 2022 £'000**	Year ended 30 April 2021 £'000
At the beginning of the period	**(179)**	(102)
(Debit) / credit to income statement	**(90)**	(95)
(Debit) / credit to contract liabilities	**24**	(54)
Utilisation of provision	**24**	72
Foreign exchange	**(2)**	-
At the end of the period	**(223)**	(179)

The Group has adopted the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. As further detailed in Note 22, the Group's customers almost exclusively comprise major international corporations of good credit standing mostly based in the USA and the EU, and the Group's historical credit loss experience is negligible. Accordingly, the trade receivables and contract assets are assessed as homogenous for the purposes of grouping for expected credit risk, and expected loss rate is expected to be low leading to a small provision for impairment being recorded.

Currency of trade receivables	**As at 30 April 2022 £'000**	As at 30 April 2021 £'000
USD	**1,607**	1,346
EUR	**744**	817
GBP	**673**	521
Other	**198**	120
Net trade receivables	**3,222**	2,804

14. Cash and cash equivalents

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Cash at bank	**5,492**	4,117

Currency of cash and cash equivalents	As at 30 April 2022 £'000	As at 30 April 2021 £'000
GBP	**1,204**	746
USD	**1,501**	1,623
EUR	**1,830**	948
Other	**957**	800
Cash and cash equivalents	**5,492**	4,117

15. Share capital and share premium

Issued and fully paid	Ordinary shares Number	Nominal value P	Share capital £'000	Share premium £'000
Balance as at 1 May 2020	126,088,147	0.4386	553	188,802
Shares issued during the year	128,567	0.4386	1	64
Balance as at 30 April 2021	126,216,714	0.4386	554	188,866
Shares issued during the year (Note 16)	321,248	0.4386	1	107
Balance as at 30 April 2022	**126,537,962**	**0.4386**	**555**	**189,973**

16. Share-based payments

The Group's share-based payment plans with effect as at 30 April 2022 are as follows:

Long-Term Incentive Plan ('LTIP')

The LTIP provides awards to Executive Directors and senior management in FY21 and in FY20. The awards are in the form of options with a nominal exercise price which vest after three years. Vesting is subject to a mix of revenue, Adjusted EBITDA, cash conversion and share price performance conditions and remaining employed up to the vesting date.

Deferred Share Bonus Plan ('DSBP FY21')

The DSBP FY21 provides for the grant of share awards to Executive Directors and Executive Committee members to defer 50% of the participant's bonus. Awards are in the form of options with a nominal exercise price. They vest over a two-year period with 50% vesting on the first anniversary of the grant date and the remaining 50% vesting on the second anniversary.

Share awards were also previously granted under the following older plans:

Deferred Share Bonus Plan ('DSBP FY20')

The DSBP FY20 provides for the grant of share awards to Executive Directors and Executive Committee members to defer 50% of the participant's bonus. Awards are in the form of options with a nominal exercise price. They vest 12 months after grant date subject only to remaining employed up to the vesting date.

16. Share-based payments, continued

UK Scheme and US Plan

Options at market value vesting over one to four years subject only to remaining employed up to the vesting date.

Share Appreciation Rights (SARs)

'Phantom options' settled in cash and designed to provide the same economic benefit as the UK Scheme and US Plan for employees based outside of the UK and US, notably in Malaysia and continental Europe.

Founder Securities Scheme

In May 2012, the Group established the Founder Securities Scheme. The Founder Securities were designed to encourage the subscribers to use their best efforts to grow the Company within five to ten years following admission to AIM by entitling the founders to 15% of the increase in the Company's share price once a hurdle total shareholder return ('TSR') rate of 8.25% has been achieved. The Founder Securities have been treated as equity-settled share-based payments and are considered to have vested at time of grant as there are no service conditions attaching to them.

Options issued to supplier

In addition to the above, the Group issued share options to a supplier for the value of £158,750. This resulted in rights over 478,614 shares. These options vested over a number of 2 to 3 month periods. At 30 April 2022, these shares had vested but had not been issued. The shares were exercised in June 2022.

Awards outstanding

The movements in the number of shares and share-option awards and the weighted average exercise price of share options are detailed below:

	Year ended 30 April 2022		Year ended 30 April 2021	
	Number of options	**Weighted average exercise price £ per share**	Number of options	Weighted average exercise price £ per share
Outstanding at 1 May	**8,641,513**	**£0.08**	**11,603,810**	**£0.35**
Granted	**2,976,053**	**£0.00**	**3,313,447**	**£0.00**
Lapsed	**(2,127,424)**	**£0.04**	**(5,421,877)**	**£0.65**
Cancelled	**-**	**n/a**	**(725,300)**	**£0.00**
Expired	**-**	**n/a**	**-**	**n/a**
Exercised (Note 15)	**(321,248)**	**£0.00**	**(128,567)**	**£0.00**
Outstanding at 30 April	**9,168,894**	**£0.08**	**8,641,513**	**£0.08**
Exercisable at 30 April	**5,524,997**	**£0.13**	**4,961,532**	**£0.11**
Weighted average fair value of awards granted (£ per share)		**£0.30**		**£0.26**

The average share price over the year was £0.35 (2021: £0.34). The share price of the Company at 30 April 2022 was £0.46 (30 April 2021: £0.34).

16. Share-based payments, continued

The range of exercise prices and the weighted average remaining contractual life of options outstanding at 30 April were as follows:

Range of exercise prices	**As at 30 April 2022 Number of options**	As at 30 April 2021 Number of options
Nil	**3,760,000**	3,760,000
0p to 10p	**4,366,655**	3,699,290
40p to 50p	**178,344**	205,094
50p to 60p	**543,345**	639,079
60p to 70p	**320,550**	338,050
Total	**9,168,894**	8,641,513
Weighted average remaining contractual life	**4.9 years**	5.9 years

Valuation assumptions

Grants in the year ended 30 April 2022 of deferred shares and LTIP awards with no market conditions were valued directly by reference to the share price at date of grant using Black Scholes model. LTIP awards with a share price condition were valued with reference to a Monte Carlo valuation.

Grants in the year ended 30 April 2021 of deferred shares and LTIP awards with no market conditions were valued directly by reference to the share price at date of grant using Black Scholes model. LTIP awards with a share price condition were valued with reference to a Black Scholes valuation of a basket of options which gave a similar return.

The principal assumptions used in these valuations were:

	Year ended 30 April 2022 LTIP with share condition and DSBP	Year ended 30 April 2021 LTIP with share condition and DSBP
Share price at date of grant	**£0.35**	**£0.30**
Exercise price	**£0.00**	**£0.00**
Expected life	**1 year**	**1 to 3 years**
Expected volatility	**54%**	**51%**
Risk free rate	**0.5%**	**0.2%**
Dividend yield	**Nil**	**Nil**
Fair value	**£0.05 to £0.35**	**£0.02 to £0.30**

Notes to the consolidated financial statements - continued

16. Share-based payments, continued

Valuation assumptions, continued

	Year ended 30 April 2022 options to supplier	Year ended 30 April 2021 options to supplier
Share price at date of grant	**£0.32 to £0.34**	**n/a**
Exercise price	**£0.00**	**n/a**
Expected life	**2-3 months**	**n/a**
Expected volatility	**54%**	**n/a**
Risk free rate	**0.5%**	**n/a**
Dividend yield	**Nil**	**n/a**
Fair value	**£0.32 to £0.34**	**n/a**

The total share-based payment charge is £216,000 (2021: £280,000), which includes movements in employment taxes connected with the share-based payment charge. This charge is split £57,000 (2021: £280,000) staff costs and £159,000 supplier costs (2021: £nil)

17. Provisions

	Leasehold property dilapidations £'000	Other provisions £'000	Total £'000
As at 1 May 2021	1,161	362	1,523
Utilised during the year	-	(362)	(362)
As at 30 April 2022	**1,161**	**-**	**1,161**

	Leasehold property dilapidations £'000	Onerous contracts £'000	Other provisions £'000	Total £'000
As at 1 May 2020	1,236	20	-	1,256
Additions	1	-	362	363
Utilised during the year	(76)	(20)	-	(96)
As at 30 April 2021	**1,161**	**-**	**362**	**1,523**

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Analysis of total provisions:		
Non-current	**1,161**	1,160
Current	**-**	363
Total	**1,161**	1,523

The provisions for dilapidations include the estimated costs of removal of installed assets under lease contracts, which includes a provision for the London office of £1,160,000 (2021: £1,160,000) which is expected to be utilised in FY29 and for the Malaysia office of £1,000 (2021: £1,000) expected to be utilised in FY23. Other provisions relate to legal matters concluded in FY22.

18. Leases

The right of use assets relate to leased properties. The movements in the right of use assets were as follows:

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
As at 1 May	**3,585**	5,518
Additions	**115**	32
Impairment	**-**	(1,121)
Depreciation	**(558)**	(818)
Reclassification of right of use asset	**(6)**	-
Exchange differences	**17**	(26)
As at 30 April	**3,153**	**3,585**

The movements in the lease liability were as follows:

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
As at 1 May	**5,443**	6,247
Additions	**115**	32
Reclassification of prepayments to lease liabilities	**(131)**	-
Interest charge	**257**	337
Payments made on lease liabilities	**(1,008)**	(1,093)
Exchange differences	**43**	(80)
As at 30 April	**4,719**	**5,443**

The lease liabilities at 30 April 2022 were as follows:

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Analysis of total lease liabilities:		
Non-current	**3,922**	4,712
Current	**797**	731
Total	**4,719**	5,443

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Maturity analysis		
Year 1	**1,019**	986
Years 2-5	**3,340**	3,459
Year 5 onwards	**1,131**	2,031
Total future lease payments	**5,490**	6,476
Total future interest payments	**(771)**	(1,033)
Total lease liabilities	**4,719**	5,443

18. Leases, continued

The Group recognised the following amounts in the consolidated income statement in relation to leases under IFRS 16:

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Depreciation	**558**	818
Interest expense	**257**	337
Low-value lease expense	**2**	2
Income from subleasing right of use assets	**(98)**	(120)
	719	1,037

19. Trade and other payables

Non-current liabilities	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Other payables	**48**	-

Current liabilities	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Trade payables	**2,602**	2,304
Other taxation and social security	**917**	814
Accrued expenses	**4,762**	3,430
Other payables	**227**	228
Trade and other payables	**8,508**	6,776

20. Borrowings

	As at 30 April 2022	As at 30 April 2021
	£'000	£'000
Drawn under revolving credit facility	**2,000**	2,000
Transaction costs	**(31)**	(50)
Accrued interest	**4**	14
Borrowings	**1,973**	1,964

At 30 April 2022, the Group had £4.0 million revolving credit facility expiring in December 2023. Interest is payable at a rate of Bank of England overnight base rate + margin of 3.00% to 3.50% (amended to LIBOR + margin of 3.00% to 3.50% from December 2021). At 30 April 2022 the amount undrawn was £2.0 million (30 April 2021: £2.0 million). The Group can elect to roll forward the amounts drawn on a quarterly basis up to the expiry date.

The movements in borrowings were as follows:

	Year ended 30 April 2022	Year ended 30 April 2021
	£'000	£'000
Borrowings at 1 May	**1,964**	2,006
Cash flows – proceeds of new borrowings	**-**	2,000
Cash flows – repayment of borrowings	**-**	(2,000)
Transaction costs	**19**	(50)
Non-cash changes – accrued interest	**(10)**	8
Borrowings at 30 April	**1,973**	1,964

The borrowings are subject to two covenant tests which are measured at the end of Group's financial quarters. Leverage[1] must be less or equal to 2 and interest cover[2] must be greater or equal to 4.

(1) Leverage is defined as net debt divided by last 12 months Adjusted EBITDA[3]

(2) Interest cover is defined as last 12 months Adjusted EBITDA[3] divided by finance charges.

(3) For covenant purposes, Adjusted EBITDA is calculated EBITDA[4] less capital, expenditure in excess of 50% of EBITDA[4].

(4) For covenant purposes, EBITDA is calculated as earnings before net finance cost, tax, depreciation and amortisation, impairment of goodwill, impairment of intangible assets, impairment of right of use assets, impairment of leasehold improvements, loss on disposal of assets, foreign exchange gain or loss, share-based payment expense and exceptional items, and is adjusted to include cash rental expenses and rental income.

21. Contract liabilities

	Year ended 30 April 2022	Year ended 30 April 2021
	£'000	£'000
As at 1 May	**8,367**	8,868
Invoiced during the year	**37,691**	38,501
Released to revenue	**(37,500)**	(36,351)
Amounts invoiced in advance but not yet due	**(66)**	(2,084)
Loss allowance	**24**	(79)
Exchange differences	**497**	(488)
As at 30 April	**9,013**	8,367

The Group's remaining performance obligations are for the delivery of services within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies.

22. Financial instruments, risk management and exposure

The Group's activities expose it to a variety of financial risks, including credit, liquidity and foreign currency risk. Risk management is carried out by the Board of Directors.

(a) Credit risk

Credit risk arises principally from cash held at financial institutions and trade and other receivables. The following carrying values of financial assets represent the Group's maximum exposure to credit risk:

	As at 30 April 2022	As at 30 April 2021
	£'000	£'000
Cash and cash equivalents	**5,492**	4,117
Net trade receivables	**3,222**	2,804
Other receivables	**945**	969
Total	**9,659**	7,890

Cash and cash equivalents are held with reputable financial institutions.

The overdue analysis of trade receivables is as follows:

	As at 30 April 2022	As at 30 April 2021
	£'000	£'000
Current and not impaired	**2,454**	2,035
Less than 1 month overdue	**491**	504
Between 2-3 months overdue	**119**	181
Over 3 months overdue	**158**	84
Total past due but not impaired	**768**	769
Individually determined to be impaired	**223**	179
Trade receivables	**3,445**	2,983
Less: loss allowance	**(223)**	(179)
Net trade receivables	**3,222**	2,804

22. Financial instruments, risk management and exposure, continued

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk through cash flow forecasts and by seeking to align the maturity profiles of its financial assets with its financial liabilities.

Financial assets and liabilities at amortised cost

As at 30 April 2022	Carrying amount £'000	Total contractual cash flows £'000	Less than 1 year £'000	1 to 5 years £'000	Over 5 years £'000
Cash and cash equivalents	**5,492**	**5,492**	**5,492**	**-**	**-**
Net trade receivables	**3,222**	**3,222**	**3,222**	**-**	**-**
Other receivables	**945**	**945**	**135**	**222**	**588**
Trade payables	**(2,602)**	**(2,602)**	**(2,602)**	**-**	**-**
Other payables	**(275)**	**(275)**	**(227)**	**(48)**	**-**
Lease liabilities	**(4,719)**	**(5,490)**	**(1,019)**	**(3,340)**	**(1,131)**
Borrowings	**(1,973)**	**(1,973)**	**(1,973)**	**-**	**-**
Net position	**90**	**(681)**	**3,028**	**(3,166)**	**(543)**

As at 30 April 2021	Carrying amount £'000	Total contractual cash flows £'000	Less than 1 year £'000	1 to 5 years £'000	Over 5 years £'000
Cash and cash equivalents	4,117	4,117	4,117	-	-
Net trade receivables	2,804	2,804	2,804	-	-
Other receivables	969	969	282	99	588
Trade payables	(2,304)	(2,304)	(2,304)	-	-
Other payables	(228)	(228)	(228)	-	-
Lease liabilities	(5,443)	(6,476)	(986)	(3,459)	(2,031)
Borrowings	(1,964)	(1,964)	(1,964)	-	-
Net position	(2,049)	(3,082)	1,721	(3,360)	(1,443)

(c) Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Sterling. The currencies giving rise to this risk are primarily the US Dollar and the Euro. Where possible the exposure is mitigated by a natural hedge. For example, US Dollar revenues are partially matched by US Dollar costs in the US subsidiary. The Group does not currently use forward foreign exchange contracts or currency options to hedge currency risk.

The split of trade receivables by currency is set out in Note 13 and cash by currency in Note 14.

A 10% strengthening of the US Dollar against Sterling would increase revenue by £1.4 million and reduce operating loss by £0.1 million.

22. Financial instruments, risk management and exposure, continued

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The Group's sources of funding currently comprise cash flows generated from operations, equity contributed by shareholders and borrowings under the Group's revolving credit facility. The revolving credit facility contains financial covenants limiting the ratio of net debt to EBITDA to 2:1 and maintaining interest cover above 4:1.

In order to maintain or adjust the capital structure, the Group may increase or decrease the amount drawn under the revolving credit facility, issue new shares or sell assets.

23. Related-party transactions

The Group entered into the following transactions with related parties in the ordinary course of business:

	Year ended 30 April 2022	Year ended 30 April 2021
	£'000	£'000
Purchase of services	**-**	86

In the prior year, Anne Hill, the wife of Andrew Lemonofides who resigned as Chief Executive Officer on 8th June 2021, provided consultancy services to the Group totalling £86,000. At the year end, there were no balances outstanding in relation to these consultancy services.

Key management personnel

Key management includes Executive Directors - who are responsible for controlling and directing the activities of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended 30 April 2022	Year ended 30 April 2021
	£'000	£'000
Salaries, bonuses and other short-term employee benefits	**1,020**	982
Post-employment benefits	**41**	28
Termination benefits	**-**	-
Share-based payment expense	**19**	208
Total	**1,080**	1,218

For further details with respect to Directors' remuneration (with Directors' remuneration being a sub-set of the total key management compensation noted above), please refer to Note 6.

24. Post balance sheet events

On 17 June 2022, the group headed by Tungsten Corporation plc was acquired by Project California Bidco Ltd, a company within the group headed by Kofax Parent Ltd, a company registered in Jersey. As a result of the acquisition by Kofax of the Tungsten group the existing share-based payment schemes were accelerated and settled as part of the buyout transaction.

On 17 June 2022, the trading of shares in the Company on the Alternative Investment Market of the London Stock Exchange was suspended and, following the acquisition of the Company by Project California Bidco Ltd, was removed from listing on the Alternative Investment Market of the London Stock Exchange Company on 20 June 2022.

On 20 June 2022, the group headed by Tungsten Corporation plc was transferred to Project Leopard Acquireco Ltd, a company within the group headed by Kofax Parent Ltd, a company registered in Jersey.

On 23 June 2022, Tungsten Corporation plc was reregistered as a private company under the name of Tungsten Corporation Limited.

On July 20 2022, Kofax Parent Ltd the ultimate parent company of Kofax, was sold to Snow Bidco Ltd, the ultimate parent company becoming Kofax CayCo Ltd with effect from this date.

On 22 August 2022, the Group voluntarily repaid its revolving credit facility agreement of up to £4.0 million, which was due to expire in December 2023. The Group was in compliance with all covenants for the year ended 30 April 2022.

On 22 December 2022, Tungsten Network Inc was transferred to Project Leopard Acquireco Ltd, the parent company of Tungsten Corporation Limited at fair market value of £24.3m as a dividend in specie.

On 1 January 2023, the business, assets and liabilities, excluding investments and inter-company balances, of Tungsten Network Limited were transferred to Kofax UK Ltd at book value. Kofax UK Ltd sits within the wider group headed by Kofax Parent Ltd.

Other than the matters noted above, there are no known material adjusting or unadjusting events occurring between the balance sheet date and the date when the financial statements were authorised for issue.

Notes to the consolidated financial statements - continued

25. Subsidiary undertakings of the Group

The full listing of subsidiary companies in the Group is shown below.

Subsidiary	Nature of business	Registered office	Country of incorporation	% of ordinary shares held
Tungsten Corporation Guernsey Ltd [1]	Intermediate holding company	PO Box 186 Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 4HP	Guernsey	100
Tungsten Network Ltd [1]	Electronic invoice delivery	Leaf A, Level 1, Tower 42, 25 Old Broad Street, London EC2n 1HQ	UK	100
Tungsten Network Inc. [1]	Electronic invoice delivery	1040 Crown Pointe Parkway, Suite 330, Atlanta GA 30338	USA	100
Tungsten Network Sdn Bhd [1]	Electronic invoice delivery & shared services office	Level 8 Symphony House, Block D13 Pusat Dagangan Dana 1, Jalan PJU1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.	Malaysia	100
Tungsten Network GmbH [1]	Electronic invoice delivery	Roggenkamp 21, 21266 Jesteburg, Hamburg	Germany	100
Tungsten Network (Schweiz) GmbH [1]	Shared services office	Confidas Treuhand AG, Gubelstrasse 5, 6301 Zug	Switzerland	100
Tungsten Network S.A.P.I de CV [1]	Electronic invoice delivery	Bosque de Ciruelos 180, Piso Principal, Bosques de las Lomas, 11700 Mexico, D.F.	Mexico	100
Tungsten Network EOOD [1]	Shared services office	38, Damyan Gruev Str., 1606 Sofia, Bulgaria	Bulgaria	100
Tungsten Network Private Limited [1]	Electronic invoice delivery	Unit No.216, 2nd Flr. Sq., One,C-2, Dist. Ctr. Saket, New Delhi, South Delhi, Delhi, India, 110017	India	100
Image Integration Systems, Inc [1]	Software	885 Commerce Drive, Suite B, Perrysburg, Ohio 43551	USA	100
Tungsten Network Finance Ltd [2]	Intermediate holding company and trade finance solutions	No.1 Colmore Square, Birmingham B4 6HQ	UK	100
Tungsten Purchaser UK Ltd [2]	Dormant	No.1 Colmore Square, Birmingham B4 6HQ	UK	100
Tungsten Account Trustee Ltd [2]	Dormant	No.1 Colmore Square, Birmingham B4 6HQ	UK	100
Tungsten Investment Management Ltd [2]	Dormant	No.1 Colmore Square, Birmingham B4 6HQ	UK	100
Tungsten Purchaser (US), Inc. [2]	Dormant	1040 Crown Pointe Parkway, Suite 330, Atlanta GA 30338	USA	100
Tungsten Purchaser (Canada) Limited [2]	Dormant	855-2 Street SW, Suite 3500, Calgary, Alberta, T2P 4J8, Canada	Canada	100

(1) Tungsten Corporation Guernsey Ltd is directly held by Tungsten Corporation Limited, other subsidiaries listed above are indirectly held through Tungsten Corporation Guernsey Ltd.

(2) Tungsten Network Finance Ltd is directly held by Tungsten Corporation Limited, other subsidiaries listed above are indirectly held through Tungsten Network Finance Ltd.

Parent Company statement of financial position

	Note	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Assets			
Non-current assets			
Investments in subsidiaries	5	**68,353**	79,293
Property, plant and equipment	6	**544**	595
Right of use assets	6	**2,971**	3,385
Other receivables	7	**625**	687
Total non-current assets		**72,493**	83,960
Current assets			
Trade and other receivables	7	**54,277**	53,965
Cash and cash equivalents		**159**	35
Total current assets		**54,436**	54,000
Total assets		**126,929**	137,960
Non-current liabilities			
Provisions	8	**1,160**	1,160
Lease liabilities	9	**3,737**	4,420
Other payables		**48**	-
Total non-current liabilities		**4,945**	5,580
Current liabilities			
Lease liabilities	9	**583**	553
Trade and other payables	10	**91,458**	89,432
Total current liabilities		**92,041**	89,985
Total liabilities		**96,986**	95,565
Capital and reserves attributable to the equity shareholders			
Share capital		**555**	554
Share premium		**188,973**	188,866
Shares to be issued		**3,760**	3,760
Share-based payment reserve		**642**	756
Other reserves		**(5,450)**	(5,450)
Accumulated losses		**(158,537)**	(146,091)
Total equity		**29,943**	42,395
Total liabilities and equity		**126,929**	137,960

The loss attributable to shareholders dealt with in the financial statements of the Company was £12.7 million (FY21: loss of £24.2 million).

The above balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 49 to 62 were authorised for issue by the Board of Directors on 12 May 2023 and were signed on its behalf:

Martin Oberholzer
Director

Parent Company statement of changes in equity

Year ended 30 April 2022

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Share-based payment reserve £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 May 2021	554	188,866	3,760	756	(5,450)	(146,091)	42,395
Loss for the year	-	-	-	-	-	(12,669)	(12,669)
Total comprehensive loss for the year	-	-	-	-	-	(12,669)	(12,669)
Transactions with owners in their capacity as owners:							
Issue of shares	1	107	-	(107)	-	-	1
Forfeited share-based payments	-	-	-	(223)	-	223	-
Share-based payment	-	-	-	216	-	-	216
Transactions with owners	1	107	-	(114)	-	223	217
Balance as at 30 April 2022	**555**	**188,973**	**3,760**	**642**	**(5,450)**	**(158,537)**	**29,943**

Year ended 30 April 2021

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Share-based payment reserve £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 May 2020	553	188,802	3,760	2,144	(5,450)	(123,485)	66,324
Loss for the year	-	-	-	-	-	(24,210)	(24,210)
Total comprehensive income for the year	-	-	-	-	-	(24,210)	(24,210)
Transactions with owners in their capacity as owners:							
Issue of shares	1	64	-	(64)	-	-	1
Forfeited share-based payments	-	-	-	(1,604)	-	1,604	-
Share-based payment	-	-	-	280	-	-	280
Transactions with owners	1	64	-	(1,388)	-	1,604	281
Balance as at 30 April 2021	**554**	**188,866**	**3,760**	**756**	**(5,450)**	**(146,091)**	**42,395**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Parent Company statement of cash flows

	Notes	**Year ended 30 April 2022 £'000**	Year ended 30 April 2021 £'000
Cash flows from operating activities			
Loss for the year before taxation		**(12,669)**	(24,097)
Adjustments for:			
Depreciation	6	**561**	760
Share-based payment expense	4	**216**	103
Impairment in investment in subsidiary	5	**10,947**	21,600
Impairment of right of use asset	6	**-**	1,121
Impairment of leasehold improvements	6	**-**	544
Increase in loss allowance	7	**-**	36
Finance costs		**1,427**	1,437
Foreign exchange loss		**25**	-
Changes in working capital:			
Increase in trade and other receivables		**(319)**	(612)
Increase in trade and other payables		**2,213**	974
Net cash inflow from operating activities		**2,401**	1,866
Cash flows from investing activities			
Purchases of property, plant and equipment	6	**(65)**	-
Net cash outflow from investing activities		**(65)**	-
Cash flows from financing activities			
Lease payments – payments of principal		**(555)**	(527)
Lease payments – payments of interest		**(231)**	(260)
Net interest paid		**(1,427)**	(1,133)
Proceeds from issues of shares		**1**	65
Net cash (outflow) from financing activities		**(2,212)**	(1,855)
Net increase in cash and cash equivalents		**124**	11
Cash and cash equivalents at start of the year		**35**	24
Cash and cash equivalents at the end of the year		**159**	35

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Parent Company financial statements

1. General information

Tungsten Corporation Limited (the 'Company') is a holding company and provider of central and management functions. The Company is a private company limited by shares, which is incorporated in the UK and registered in England. The address of its registered office is Leaf A, Level 1, Tower 42, 25 Old Broad Street, London EC2N 1HQ.

2. Accounting policies

(a) Basis of preparation

The Company financial statements of Tungsten Corporation Limited have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act of 2006 ('IFRS'). The Company's financial statements have been prepared under the historical cost convention.

(b) New standards, amendments and interpretations adopted:

The Company has applied the following standard for the first time for its Annual reporting period commencing 1 May 2021:

Standard	Effective date
Amendment to IFRS 7: 'Financial Instruments: Disclosures Amendments regarding replacement issues in the context of the IBOR reform (issued on 27 August 2020)	1 January 2021
Amendment to IFRS 16: 'Leases Amended by Interest Rate Benchmark Reform (issued on 27 August 2020)	1 April 2021
Amendment to IFRS 16: 'Leases Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification' (issued on 31 March 2021)	1 April 2021

This new standard has not had a material impact on the Company's consolidated financial statements.

(c) New standards, amendments and interpretations issued but not yet effective:

Certain new accounting standards and interpretations have been published that are not mandatory for 1 May 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(d) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant impact on the financial statements are highlighted below.

Going concern

The Company going concern assessment is based on forecasts and projections of anticipated trading performance. The assumptions applied are subjective and management applies judgement in estimating the probability, timing and value of underlying cash flows.

2. Accounting policies, continued

(d) Critical accounting estimates and judgements, continued

Impairment in investments in subsidiaries

Investments are reviewed for impairment whenever events indicate that the carrying value may not be recoverable.

The Company performs the assessment of the recoverable amount of the investment by comparing the cash-generating unit's (CGU) value-in-use to the carrying amount of the investments in subsidiaries. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount.

The recoverable amount of the CGU is based on estimated sales value for the CGU.

(e) Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Share-based payments

The Company issues equity-settled and cash-settled share-based awards to certain employees. The fair value of share-based awards is determined based on the Black-Scholes model at the date of grant and expensed based on the Group's estimate of the shares that will eventually vest, over the vesting period with a corresponding increase in equity. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest based on service and other non-market performance conditions. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest, save for changes resulting from any market-related performance conditions.

The value of share-based payment is taken directly to reserves and the charge for the period is recorded in the income statement.

Tungsten's scheme, which awards shares in the parent entity, includes recipients who are employees in subsidiaries. In the consolidated financial statements, the transaction is treated as an equity-settled share-based payment, as the subsidiary has received services in consideration for Tungsten's equity instruments. An expense is recognised in the Group income statement for the fair value of share-based payment over the vesting year, with a credit recognised in equity.

In the subsidiaries' financial statements, the awards, in proportion to the recipients who are employees in said subsidiary, are treated as an equity-settled share-based payment, as the subsidiaries do not have an obligation to settle the award. An expense for the grant date fair value of the award is recognised over the vesting period, with a credit recognised in equity. The credit is treated as a capital contribution, as the parent company is compensating the subsidiaries' employees with no cost to the subsidiaries as there is no expectation to recharge the cost. In the parent company's financial statements, there is no share-based payment charge where the recipients are employed by a subsidiary, with the parent company recognising an increase in the investment in the subsidiaries as a capital contribution from the parent and a credit to equity. Cash-settled share-based awards are recognised as an expense in the income statement with a corresponding credit to liabilities.

Further details on the share-based payments can be found in Note 16 to the consolidated financial statements of this Annual report and financial statements.

2. Accounting policies, continued

(f) Property, plant and equipment

Tangible assets are stated at cost less accumulated depreciation. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item of tangible asset. Depreciation commences when an asset is brought into use over the following estimated useful lives:

- Leasehold improvement: depreciated over the term of lease.
- Fixtures and fittings: 3 to 5 years.
- Computer equipment: 2 to 5 years.

Dilapidations

The estimated cost of dilapidations is recognised in the right of use asset and provisions when the obligation arises and the liability can be reliably estimated.

(g) Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the obligation will have to be settled, and the amount of the obligation can be reliably estimated. Provisions are measured at the present value required in order to cover the obligation. The present value factor used in the calculation of the present value is selected so that it represents the market insight into the time value of money and liability-related risks at the time of the assessment.

(h) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore are classified as current. Non-current receivables relate to loan receivables from employees.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. Due to their short-term nature, the carrying value of current receivables is considered to be same as the fair value.

The Company applies IFRS 9's simplified approach to measuring expected credit losses which uses a lifetime expected loss approach for all trade receivables.

To measure the expected credit losses, trade receivables have been analysed based on the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before the relevant balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(i) Trade and other payables

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost.

(j) 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 Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(k) Employee benefits defined contribution plans

The Company pays contributions to publicly or privately administered pension plans. The Company has no further payment obligations once the contributions have been paid. Contributions are recognised in the income statement as an employee benefit expense in the period when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. Accounting policies, continued

***(l)* Reserves**

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Ordinary shares are classified as equity
Share premium	Amount subscribed for share capital in excess of nominal value.
Shares to be issued	Shares for which consideration has been received but which are not yet issued.
Share-based payment reserve	Accumulated share-based payment charges relating to outstanding awards.
Other reserve	The difference between the premium on the Tungsten Corporation Limited ordinary shares issued in exchange for the Tungsten Corporation Guernsey Ltd ordinary B shares.
Accumulated losses	All other net gains and losses and transactions with owners not recognised elsewhere

(m) Investments in subsidiary undertakings

In the Company's financial statements, investments in subsidiaries are stated at cost less provision for impairment in value.

Investments are reviewed for impairment whenever events indicate that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the investments fair value less cost of disposal and its value-in-use. An asset's value-in-use is calculated by discounting an estimate of future cash flows by the post-tax weighted average cost of capital. Any impairment is recognised in the statement of comprehensive income.

(n) Foreign currency translation

The accounting policy for foreign currency translation is the same as that for the Group and is set out on pages 21 and 22.

3. Loss for the year

As permitted by the exemption in Section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of these financial statements. The loss attributable to shareholders dealt with in the financial statements of the Company was £12.7 million (FY21: loss of £24.2 million).

4. Employee benefits expenses

	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
Wages and salaries	**2,827**	1,824
Social security costs	**330**	219
Pension-defined contribution	**145**	167
Share-based payment expense	**57**	198
Total employee benefits expenses	**3,359**	2,408

The total share-based payment charge is £216,000 (2021: £280,000). The total charge includes movements in employment taxes connected with the share-based payment. The total share-based payment charge for the year includes £159,000 in relation to an external supplier (2021: £nil).

	Year ended 30 April 2022	Year ended 30 April 2021
Number of employees		
The yearly average number of people (including Executive Directors) employed:		
Corporate	**13**	12
Total average headcount	**13**	12

Refer to Note 23 in the consolidated financial statements for details of remuneration in respect of key management.

5. Investments in subsidiaries

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Balance as at 1 May	**79,293**	100,947
Impairment	**(10,947)**	(21,600)
Additional/(reversal) of share-based payment investment	**7**	(54)
Balance as at 30 April	**68,353**	79,293

The Company's subsidiaries are the same as those for the Group and are set out in Note 25 to the consolidated financial statements.

The carrying value represents the Company's investment in Tungsten Corporation Guernsey Ltd through which the Company indirectly holds the Tungsten Network sub-group and a £1 investment in Tungsten Network Finance Ltd. An impairment charge of £10.9m (2021: £21.6m) has been booked to write down the carrying value to £68.4m, being the sale value of the Group to Kofax in June 2022.

6. Property, plant and equipment

As at 30 April 2022

	Right of use asset £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Total £'000
Cost				
Balance at 1 May 2021	8,563	2,065	90	10,718
Additions	31	64	1	96
At 30 April 2022	**8,594**	**2,129**	**91**	**10,814**
Accumulated depreciation				
Balance at 1 May 2021	5,178	1,470	90	6,738
Charge for the year	445	115	1	561
At 30 April 2022	**5,623**	**1,585**	**91**	**7,299**
Net Book Value				
At 1 May 2021	3,385	595	-	3,980
At 30 April 2022	**2,971**	**544**	**-**	**3,515**

Notes to the Parent Company financial statements - continued

6. Property, plant and equipment, continued

As at 30 April 2021

	Right of use asset £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Total £'000
Cost				
Balance at 1 May 2020	8,563	2,065	90	10,718
Additions	-	-	-	-
At 30 April 2021	**8,563**	**2,065**	**90**	**10,718**
Accumulated depreciation				
Balance at 1 May 2020	3,450	776	87	4,313
Charge for the year	607	150	3	760
Impairment	1,121	544	-	1,665
At 30 April 2021	**5,178**	**1,470**	**90**	**6,738**
Net Book Value				
At 1 May 2020	5,113	1,289	3	6,405
At 30 April 2021	**3,385**	**595**	**-**	**3,980**

7. Trade and other receivables

Non-current assets	**As at 30 April 2022 £'000**	As at 30 April 2021 £'000
Loans to employees under EMSS scheme	**37**	99
Deposit	**588**	588
Other receivables	**625**	687

Current assets	**As at 30 April 2022 £'000**	As at 30 April 2021 £'000
Amounts owed by Group undertakings	**77,337**	77,283
Less: Loss allowance	**(23,652)**	(23,652)
Net amounts owed by Group undertakings	**53,685**	53,631
VAT	**513**	-
Other receivables	**28**	91
Prepayments	**51**	243
Trade and other receivables	**54,277**	53,965

The amounts owed by Group undertakings are due from Tungsten Network Ltd, Tungsten Network Sdn Bhd and Tungsten Network Finance Ltd. These are non-interest bearing and are repayable on demand. To the extent the counterparties, are unable to do so, the Company does not intend to recall the amounts due, within one year. The amount due from Tungsten Network Finance Ltd has been fully provided for since 30 April 2019.

8. Provisions

	Leasehold property dilapidations	
	Year ended 30 April 2022 £'000	Year ended 30 April 2021 £'000
At 1 May	**1,160**	1,160
Addition	**-**	-
At 30 April	**1,160**	1,160

Analysis of total provision:

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Non-current	**1,160**	1,160

The provision for dilapidations includes the estimated costs of removal of installed assets under the lease contract for the London office, which is expected to be utilised in FY29.

9. Lease liabilities

	As at 30 April 2022 £'000	**As at 30 April 2021 £'000**
Analysis of total lease liabilities:		
Non-current	**3,737**	4,420
Current	**583**	553
Total	**4,320**	4,973

	As at 30 April 2022 £'000	**As at 30 April 2021 £'000**
Maturity analysis:		
Year 1	**786**	786
Years 2-5	**3,144**	3,144
Year 5 onwards	**1,131**	2,031
Total future lease payments	**5,061**	5,961
Total future interest payments	**(741)**	(988)
Total lease liabilities	**4,320**	4,973

10. Trade and other payables

Non-current liabilities	**As at 30 April 2022 £'000**	As at 30 April 2021 £'000
Other payables	**48**	-
Trade and other payables	**48**	-

Current liabilities	**As at 30 April 2022 £'000**	As at 30 April 2021 £'000
Trade and other payables	**370**	427
Taxation and social security	**109**	13
Accrued expenses	**1,687**	881
Other payables	**17**	-
Loan payable to Group undertakings	**46,947**	45,755
Amounts owed to Group undertakings	**42,328**	42,356
Trade and other payables	**91,458**	89,432

The loan payable to Group undertakings is bearing an interest based on overnight Bank of England base rate. The amounts owed to Group undertakings are non-interest bearing and are repayable on demand. The Company has the ability to settle amounts owed to Group undertakings against amounts receivable from Group undertakings, in the absence of it having working capital to settle the amount directly itself.

11. Related-party transactions

During the year the Company invoiced and/or incurred management charges from specific Group companies. Furthermore, at 30 April 2022:

- Owed to the Company £000's:
  - Tungsten Network Ltd - £52,157 (FY21: £52,050).
  - Tungsten Network Sdn Bhd - £1,524 (FY21: £1,582).
- Owed by the Company £000's:
  - Tungsten Corporation Guernsey Ltd - £86,985 (FY21: £85,819).
  - Tungsten Network Inc - £2,265 (FY21: £2,143).
  - Tungsten Network GmbH - £25 (FY21: £25).

Key management personnel

Key management includes Executive Directors. There were no key management personnel in the Company apart from the Directors. The compensation paid or payable to key management for employee services is set out in Note 23 to the consolidated financial statements.

Notes to the Parent Company financial statements - continued

12. Capital management

The aim of the Company is to maintain sufficient funds to enable it to meet working capital requirements, make suitable investments and incremental acquisitions while minimising recourse to external funders and/or shareholders. Capital managed by the Company at 30 April 2022 consists of cash and cash equivalents and equity attributable to equity holders of the parent. The capital structure is reviewed by management through regular internal financial reporting and forecasting.

The Company considers the following balances as a part of its capital management:

	As At 30 April 2022 £'000	As At 30 April 2021 £'000
Share capital and premium	**189,528**	189,420
Accumulated deficit[1]	**(148,638)**	(147,025)
Cash and cash equivalents	**159**	35
Total	**41,049**	42,430

(1) Deficit includes shares to be issued, share-based payments reserve, other reserves and accumulated losses.

13. Financial instruments, risk management and exposure

The Company's activities expose it to a variety of financial risks, including credit, liquidity and foreign currency risk. Management is carried out by the Board of Directors.

(a) Credit risk

Credit risk arises principally from cash held at financial institutions and trade and other receivables. The following carrying values of financial assets represent the Company's maximum exposure to credit risk:

	As at 30 April 2022 £'000	As at 30 April 2021 £'000
Cash and cash equivalents	**159**	35
Trade and other receivables	**653**	778
Amounts owed by Group undertakings	**53,685**	53,631
Total	**54,497**	54,444

Cash and cash equivalents are held with reputable financial institutions.

Impairment provisions for amounts owed by Group undertakings are calculated using an expected credit loss model. Under this model, impairment provisions are recognised to reflect expected credit losses based on combination of historic and forward-looking information, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

13. Financial instruments, risk management and exposure, continued

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through cash flow forecasts and by seeking to align the maturity profiles of its financial assets with its financial liabilities.

Financial assets and liabilities at amortised cost

As at 30 April 2022	Carrying amount £'000	Total contractual cash flows £'000	Less than 1 year £'000	1 to 5 years £'000	More than 5 years £'000
Cash and cash equivalents	159	159	159	-	-
Trade and other receivables[1]	653	653	28	37	588
Amounts owed by Group undertakings	53,685	53,685	53,685	-	-
Trade and other payables	(370)	(370)	(370)	-	-
Lease liabilities	(4,320)	(5,061)	(786)	(3,144)	(1,131)
Loan payable to Group undertakings	(46,947)	(46,947)	(46,947)	-	-
Amounts owed to Group undertakings	(42,328)	(42,328)	(42,328)	-	-
Net position	(39,468)	(40,209)	(36,559)	(3,107)	(543)

[1] Excludes prepayments.

As at 30 April 2021	Carrying amount £'000	Total contractual cash flows £'000	Less than 1 year £'000	1 to 5 years £'000	More than 5 years £'000
Cash and cash equivalents	35	35	35	-	-
Trade and other receivables[1]	778	778	91	99	588
Amounts owed by Group undertakings	53,631	53,631	53,631	-	-
Trade and other payables	(427)	(427)	(427)	-	-
Lease liabilities	(4,973)	(5,961)	(786)	(3,144)	(2,031)
Loan payable to Group undertakings	(45,755)	(45,755)	(45,755)	-	-
Amounts owed to Group undertakings	(42,356)	(42,356)	(42,356)	-	-
Net position	(39,067)	(40,055)	(35,567)	(3,045)	(1,443)

Notes to the Parent Company financial statements - continued

13. Financial instruments, risk management and exposure, continued

(c) Foreign currency risk

Tungsten Corporation Limited has amounts owed to and from Group undertakings with its US and Malaysian subsidiaries which are denominated in US Dollar and Malaysian Ringgit. The Company is therefore exposed to fluctuations in these currencies. No sensitivity analysis has been presented for changes in exchange rates as these do not have a material impact on the loss before tax.

14. Post balance sheet events

On 17 June 2022, the group headed by Tungsten Corporation plc was acquired by Project California Bidco Ltd, a company within the group headed by Kofax Parent Ltd, a company registered in Jersey. As a result of the acquisition by Kofax of the Tungsten group the existing share-based payment schemes were accelerated and settled as part of the buyout transaction.

On 17 June 2022, the trading of shares in the Company on the Alternative Investment Market of the London Stock Exchange was suspended and, following the acquisition of the Company by Project California Bidco Ltd, was removed from listing on the Alternative Investment Market of the London Stock Exchange Company on 20 June 2022.

On 20 June 2022, the group headed by Tungsten Corporation plc was transferred to Project Leopard Acquireco Ltd, a company within the group headed by Kofax Parent Ltd, a company registered in Jersey.

On 23 June 2022, Tungsten Corporation plc was reregistered as a private company under the name of Tungsten Corporation Limited.

On July 20 2022, Kofax Parent Ltd the ultimate parent company of Kofax, was sold to Snow Bidco Ltd, the ultimate parent company becoming Kofax CayCo Ltd with effect from this date.

On 22 August 2022, the Group voluntarily repaid its revolving credit facility agreement of up to £4.0 million, which was due to expire in December 2023. The Group was in compliance with all covenants for the year ended 30 April 2022.

On 22 December 2022, Tungsten Network Inc was transferred to Project Leopard Acquireco Ltd, the parent company of Tungsten Corporation Limited at fair market value of £24.3m as a dividend in specie.

On 1 January 2023, the business, assets and liabilities, excluding investments and inter-company balances, of Tungsten Network Limited were transferred to Kofax UK Ltd at book value. Kofax UK Ltd sits within the wider group headed by Kofax Parent Ltd.

Other than the matters noted above, there are no known material adjusting or unadjusting events occurring between the balance sheet date and the date when the financial statements were authorised for issue.