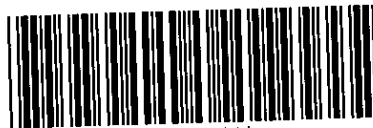


Company Registration No. 08033029 (England and Wales)

ACCESS SYSTEMS (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2020

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COMPANIES HOUSE

ACCESS SYSTEMS (UK) LIMITED

COMPANY INFORMATION

Director	Mr Anish Kapoor
Company number	08033029
Registered office	City Tower Piccadilly Plaza Manchester M1 4BT United Kingdom
Equity funders	Route 66 Ventures LLC 2nd Floor 118 King Street Alexandria VA 22314 United States True Ventures 575, High Street, Suite 400 Palo Alto CA 94301 United States Beringea/ ProVen VCT plc 39 Earlham Street, Covent Garden London, WC2H 9LT United Kingdom NPIF NW Clarence House Clarence Street Manchester M2 4DW United Kingdom
Auditor	Royce Peeling Green Limited The Copper Room Deva City Office Park Trinity Way Manchester
Bankers	Barclays Bank Plc 3 Hardman Street Manchester M3 3HF United Kingdom

ACCESS SYSTEMS (UK) LIMITED

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ACCESS SYSTEMS (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 DECEMBER 2020

The director presents the strategic report for the year ended 30 December 2020.

AccessPay continues to provide efficient access to secure financial messaging rails to integrate corporate back-office systems, connect to banks and financial services and route payments globally. In addition, new products and services are providing corporates with the ability to manage their cash resources much more effectively.

Fair review of the business

2020 has been both a challenging and rewarding year for AccessPay. Most of the challenges arose from adopting almost 100% homeworking alongside many other businesses in the UK and the AccessPay team responded magnificently to making this a success.

The nature of the company's core services which is to provide a digital experience for its business customers in the area of cash payments, collections and management and this continues to be in high demand.

The company continues to acquire well-known brands across multiple verticals where many of the customers are multi banked, operating in diverse locations and have large finance teams engaged in manual tasks which we are able to automate for them.

As well as growing our underlying subscription base by 30% we have also continued to build out a core offering for a global Financial Institution which will be formally launched in 2021 and will provide a significant additional layer of stability and growth into the company's customer base.

Post year end fund raising

In October 2021 the parent company raised equity funds of \$2.8 million and on 27 October 2021 subscribed for 2,041,858 additional ordinary shares of £1 each in the share capital of the company.

This was the first stage of a much larger capital raise with the second part to be completed by the end of Q1 2022 which will increase the equity shareholder base as well as providing strategic distribution channels on a global scale.


This funding will be applied to expand the operations of the business internationally as well as enhancing product features and capability.

Covid-19 coronavirus

AccessPay has continued to operate successfully whilst most staff members have been working remotely. The company continues to acquire new customers as businesses have recognised the benefits of cloud based products which are designed around remote operation and allow companies to safeguard their cash assets from fraud.

One impact of Covid-19 coronavirus was to temporarily defer some longer term product research in order to prudently manage our capital base and this meant that the company was operating close to cash break even at the end of 2020.

On behalf of the board



Mr Anish Kapoor
Director

21 December 2021

ACCESS SYSTEMS (UK) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 30 December 2020.

Principal activities

The principal activity of the company was the design, development and implementation of cloud-based payment and cash management solutions.

Director

The director who held office during the year and up to the date of signature of the financial statements was :
Mr Anish Kapoor

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its director during the year. These provisions remain in force at the reporting date.

Auditor

Royce Peeling Green Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr Anish Kapoor
Director

21 December 2021

ACCESS SYSTEMS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ACCESS SYSTEMS (UK) LIMITED

Opinion

We have audited the financial statements of Access Systems (UK) Limited (the 'company') for the year ended 30 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

ACCESS SYSTEMS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ACCESS SYSTEMS (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has 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.

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:

- At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how management seek to comply with them. This helps us to make appropriate risk assessments.
- During the audit we focus on relevant risk areas and review compliance with laws and regulations through making relevant enquiries and corroboration by, for example, reviewing Board Minutes and other documentation.
- We assess the risk of material misstatement in the financial statements including as a result of fraud and undertake procedures including:
 - I. Review of controls set in place by management
 - II. Enquiry of management as to whether they consider fraud or other irregularities may have occurred or where such opportunity might exist
 - III. Challenge of management assumptions with regard to accounting estimates
 - IV. Identification and testing of journal entries, particularly those which may appear to be unusual by size or nature.

ACCESS SYSTEMS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ACCESS SYSTEMS (UK) LIMITED

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements, or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we are less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 member 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 member those matters we are required to state to him 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 member for our audit work, for this report, or for the opinions we have formed.

Royce Peeling Green Limited

Martin Chatten (Senior Statutory Auditor)
For and on behalf of Royce Peeling Green Limited

21 December 2021

Chartered Accountants
Statutory Auditor

The Copper Room
Deva City Office Park
Trinity Way
Manchester M3 7BG

ACCESS SYSTEMS (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 DECEMBER 2020

		2020	2019
	Notes	£	as restated £
Turnover	3	4,600,004	3,766,779
Cost of sales		(1,450,290)	(1,198,609)
Gross profit		<u>3,149,714</u>	<u>2,568,170</u>
Administrative expenses		(5,610,665)	(5,966,374)
Other operating income		137,147	-
Operating loss	4	<u>(2,323,804)</u>	<u>(3,398,204)</u>
Interest receivable and similar income		6,037	15,155
Interest payable and similar expenses	7	(488,619)	(411,113)
Loss before taxation		<u>(2,806,386)</u>	<u>(3,794,162)</u>
Tax on loss	8	148,729	(232,951)
Loss for the financial year		<u><u>(2,657,657)</u></u>	<u><u>(4,027,113)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ACCESS SYSTEMS (UK) LIMITED

BALANCE SHEET

AS AT 30 DECEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9		3,570,663		3,529,880
Tangible assets	10		70,564		135,704
Investments	11		57,091		57,091
			<u>3,698,318</u>		<u>3,722,675</u>
Current assets					
Debtors	12	1,181,059		998,424	
Cash at bank and in hand		3,004,820		5,415,068	
		<u>4,185,879</u>		<u>6,413,492</u>	
Creditors: amounts falling due within one year	13	(3,648,047)		(3,494,546)	
Net current assets			<u>537,832</u>		<u>2,918,946</u>
Total assets less current liabilities			<u>4,236,150</u>		<u>6,641,621</u>
Creditors: amounts falling due after more than one year	14		(4,460,024)		(4,207,838)
Net (liabilities)/assets			<u>(223,874)</u>		<u>2,433,783</u>
Capital and reserves					
Called up share capital	18		9,182,689		9,182,689
Share premium account	19		5,257,772		5,257,772
Equity reserve	20		327,782		327,782
Profit and loss reserves			(14,992,117)		(12,334,460)
Total equity			<u>(223,874)</u>		<u>2,433,783</u>

The financial statements were approved and signed by the director and authorised for issue on 21 December 2021



Mr Anish Kapoor
Director
Company Registration No. 08033029

ACCESS SYSTEMS (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 DECEMBER 2020

	Share capital £	Share premium account £	Equity reserve £	Profit and loss reserves £	Total £
Restated balance at 1 January 2019	9,182,689	5,257,772	296,714	(8,307,347)	6,429,828
Period ended 31 December 2019:					
Loss and total comprehensive income for the period	-	-	-	(4,027,113)	(4,027,113)
Transfers	-	-	31,068	-	31,068
Restated balance at 31 December 2019	9,182,689	5,257,772	327,782	(12,334,460)	2,433,783
Period ended 30 December 2020:					
Loss and total comprehensive income for the period	-	-	-	(2,657,657)	(2,657,657)
Balance at 30 December 2020	9,182,689	5,257,772	327,782	(14,992,117)	(223,874)

ACCESS SYSTEMS (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	26	(509,265)		(1,885,077)	
Interest paid		(263,397)		(222,505)	
Income taxes refunded/(paid)		42,049		-	
Net cash outflow from operating activities		(730,613)		(2,107,582)	
Investing activities					
Purchase of intangible assets		(1,683,260)		(2,313,572)	
Purchase of tangible fixed assets		(2,412)		(137,488)	
Interest received		6,037		15,155	
Net cash used in investing activities		(1,679,635)		(2,435,905)	
Financing activities					
Movement in loan stock		-		350,802	
Net receipts from refinancing of bank loans		-		1,147,329	
Net cash (used in)/generated from financing activities		-		1,498,131	
Net decrease in cash and cash equivalents		(2,410,248)		(3,045,356)	
Cash and cash equivalents at beginning of year		5,415,068		8,460,424	
Cash and cash equivalents at end of year		3,004,820		5,415,068	

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 DECEMBER 2020

1 Accounting policies

Company information

Access Systems (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is City Tower, Piccadilly Plaza, Manchester, United Kingdom, M1 4BT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Access Systems (UK) Limited is a wholly owned subsidiary of Access Systems Inc. and its results are included in those consolidated financial statements which are available from Companies House.

1.2 Going concern

The Company meets its day to day capital requirements through cash generated from trading and cash resources raised from investors. The Director believes that the Company has access to considerable financial resources and, as a consequence, believe that it is well placed to manage its business risks successfully.

In October 2021 the parent company raised equity funds of \$2.8 million and on 27 October 2021 subscribed for 2,041,858 additional ordinary shares of £1 each in the share capital of the company.

This was the first stage of a much larger capital raise with the second part to be completed by the end of Q1 2022 which will increase the equity shareholder base as well as providing strategic distribution channels on a global scale. This funding will be applied to expand the operations of the business internationally as well as enhancing product features and capability.

The Company's forecasts and projections show that the Director has a reasonable expectation that the Company has sufficient resources to continue in existence for the foreseeable future. Thus the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

The recurring income of contracts spanning multiple accounting periods is recognised over the term of the contract. Any recurring income received but not recognised end of the accounting period is held on the balance sheet as deferred income. Professional services income is recognised on the basis of percentage of contract completion.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	3 years
-------------------	---------

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	3 years
Fixtures and fittings	5 years
Equipment	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Investments in parent company shares are carried at cost less impairment.

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

1 Accounting policies

(Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

Basic financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Trade and other debtors / creditors

Trade and other debtors and trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1.17 Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the accounting period the company has received government assistance in the form of furlough payments for staff following the Covid-19 coronavirus pandemic. This amount has been classified as other operating income within the statement of comprehensive income.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

1 Accounting policies

(Continued)

1.19 Foreign exchange

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Development cost amortisation rates

All intangible assets are considered by FRS 102 to have a finite useful life. The expected useful life of the asset is estimated by the directors. The depreciable amount of an intangible asset is charged on a systematic basis over its useful life. Where there is a change in circumstance regarding the recognition criteria for capitalisation of development costs such as forecast sales of products developed this could lead to reassessment of the useful life of that asset.

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Subscription turnover	4,338,336	3,340,957
Professional services turnover	261,668	425,822
	<u>4,600,004</u>	<u>3,766,779</u>
Turnover analysed by geographical market		
United Kingdom	4,103,651	3,348,536
Other	496,353	418,243
	<u>4,600,004</u>	<u>3,766,779</u>

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

4 Operating loss

	2020	2019
	£	£
Operating loss for the period is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	3,695	(5,763)
Government grants	(137,147)	-
Depreciation of owned tangible fixed assets	67,552	70,893
Amortisation of intangible assets	1,642,477	816,460
Operating lease charges	229,309	250,788
	<u> </u>	<u> </u>

5 Director's remuneration

	2020	2019
	£	£
Remuneration for qualifying services	158,629	165,000
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed during the year was:

	2020	2019
	Number	Number
Sales & marketing	26	28
Research & development	22	29
Service delivery	15	15
General & administration	9	9
	<u> </u>	<u> </u>
	72	81
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	3,955,346	3,994,829
Social security costs	20,649	21,586
Pension costs	60,617	53,246
	<u> </u>	<u> </u>
	4,036,612	4,069,661
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	260,427	222,505
Other interest	2,970	-
Other interest on financial liabilities	225,222	188,608
	<u>488,619</u>	<u>411,113</u>

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2020

8 Taxation

	2020 £	2019 £
Current tax		
Adjustments in respect of prior periods	(148,729)	232,951

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(2,806,386)	(3,794,162)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(533,213)	(720,891)
Unutilised tax losses carried forward	533,213	720,891
Adjustments in respect of prior years	(148,729)	232,951
Taxation (credit)/charge for the period	(148,729)	232,951

Deferred tax asset

The company has carried forward tax losses of some £12 million (2019: £9 million); no deferred tax asset has been recognised on the grounds that its recoverability is not sufficiently certain.

9 Intangible fixed assets

	Development costs £
Cost	
At 1 January 2020	6,218,925
Additions - internally developed	1,683,260
At 30 December 2020	7,902,185
Amortisation and impairment	
At 1 January 2020	2,689,045
Amortisation charged for the year	1,642,477
At 30 December 2020	4,331,522
Carrying amount	
At 30 December 2020	3,570,663
At 31 December 2019	3,529,880

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

10 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2020	63,954	46,329	196,611	306,894
Additions	-	-	2,412	2,412
At 30 December 2020	63,954	46,329	199,023	309,306
Depreciation and impairment				
At 1 January 2020	31,336	23,727	116,127	171,190
Depreciation charged in the year	17,831	7,792	41,929	67,552
At 30 December 2020	49,167	31,519	158,056	238,742
Carrying amount				
At 30 December 2020	14,787	14,810	40,967	70,564
At 31 December 2019	32,618	22,602	80,484	135,704

11 Fixed asset investments

	2020 £	2019 £
Unlisted investments	57,091	57,091

The company holds 6% of the issued share capital in the parent company, Access Systems Inc (2019: 6%).

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	666,095	788,492
Corporation tax recoverable	148,729	42,049
Amounts owed by group undertakings	30,046	16,488
Other debtors	4,989	4,958
Prepayments and accrued income	331,200	146,437
	1,181,059	998,424

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Trade creditors		536,725	471,587
Other taxation and social security		259,864	214,356
Deferred income		2,656,735	2,521,082
Other creditors		68,496	92,865
Accruals		126,227	194,656
		<u>3,648,047</u>	<u>3,494,546</u>

14 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Loan notes 2023	15	1,518,566	1,275,043
Bank loans and overdrafts	15	2,941,458	2,932,795
		<u>4,460,024</u>	<u>4,207,838</u>

15 Borrowings

	2020 £	2019 £
Loan notes 2023	1,518,566	1,275,043
Bank loans	2,941,458	2,932,795
	<u>4,460,024</u>	<u>4,207,838</u>
Payable after one year	<u>4,460,024</u>	<u>4,207,838</u>

The net proceeds received from the issue of the loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert part of the financial liability into equity.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Balance Sheet represents the effective interest rate less interest paid to that date.

The equity component of the convertible loan notes has been credited to the equity reserve.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

15 Borrowings

(Continued)

NPIF loan notes

On 21 February 2018, the Company, the parent and the director entered into a £1,000,000 loan note agreement with NPIF NW Equity LP ("NPIF") which was fully drawn down on 22 February 2018. The loan amount including accrued interest is repayable in one repayment on 21 February 2023. Interest accrues daily at the rate of 15% per annum.

On 25 January 2019, the Company, the parent and the director entered into a further agreement with NPIF for loan notes of £350,802. The loan amount including accrued interest is repayable in one repayment on 21 February 2023. Interest accrues daily at the rate of 6% per annum.

The loan note balance is also offset by deferred arrangements costs being written off over the period of the loan notes.

Barclays loan

On 22 October 2019, the Company entered in to a £3,000,000 loan agreement with Barclays Bank UK PLC which was fully drawn down on 23 December 2019. The loan carries interest at 6% per annum.

Capital repayments of £100,000 per month start 27 months after December 2019. A final capital repayment of £2,100,000 is required 36 months after December 2019. The loan balance is offset by deferred arrangements costs of £91,236 being written off over the period of the loan.

The bank loan is secured by a first ranking debenture and cross guarantee to be granted by each of the company and Access Financial Analytics Ltd over all of its assets and undertakings (including, without limitation, the shares of UK registered companies and overseas Subsidiaries in the group as well as over all intellectual property) and a corporate guarantee from the parent company for the benefit of the bank.

16 Share warrants

As part of various financing arrangements the company has issued warrants to a number of lenders in respect of its equity share capital or that of its parent company Access Systems Inc.

- Under the first warrant the holder has the right to subscribe for 1.1% of the company's share capital with an associated put option which gives the warrant holder the right to sell the shares received on exercise of the warrant to the parent company at fair value on the date of sale. The exercise of the warrant is limited to certain exercisable events arising.
- Under the second warrant the holder has the right to subscribe for 3.5% of the fully diluted share capital of the parent company. The warrant expires in 2038.
- Under the third warrant the holder has the right to subscribe for £420,000 of share capital in the parent company. The warrant expires in 2027.

No amounts have been recognised in the financial statements of the company with regards to any of the warrants or put options.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

17 Share-based payment transactions

The Company operates an Enterprise Management Incentive (EMI) employee share option scheme.

The share options give the holder the right to buy shares in the Company's parent company, Access Systems Inc. Each option entitles the holder to acquire one ordinary share in Access Systems Inc. at a cost of \$0.01 per share. Employees can acquire 25% of their allocation twelve months after the vesting start date and thereafter 1/36th of the balance every month of employment to the 36th month after the vesting start date. No option may be exercised more than ten years after its date of grant. As at 31 December 2020 nine employees had exercised some of their options.

The number of share options outstanding at the start and end of the year are as follows:

	Number of share options		Weighted average exercise price	
	2020 Number	Restated 2019 Number	2020 \$	2019 \$
Outstanding at 1 January 2020	7,680,000	7,870,000	0.01	0.01
Granted	2,175,834	-	0.01	0.01
Forfeited	(164,482)	(120,625)	-	0.01
Exercised	(245,518)	(69,375)	-	-
Outstanding at 30 December 2020	<u>9,445,834</u>	<u>7,680,000</u>	<u>0.01</u>	<u>0.01</u>
Exercisable at 30 December 2020	<u>3,845,381</u>	<u>2,214,896</u>	<u>0.01</u>	<u>0.01</u>

The options outstanding at 30 December 2020 had an exercise price of \$0.01 and an average remaining contractual life of 7 years 4 months.

No amounts have been recognised in the financial statements with regards to the share options as the fair value of the options deemed likely to be exercised is negligible.

18 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
Ordinary shares of £1 each	<u>9,182,689</u>	<u>9,182,689</u>

19 Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

20 Equity reserve

The equity reserve comprises an amount of £327,782 being the equity component of the loan notes and associated derivative issued in 2019 and 2018.

21 Prior year adjustments

In the prior year the company had not split the net proceeds received from the issue of loan notes between the financial liability element and an equity component, representing the fair value of the attached share warrant.

The impact of correcting this error was:

- to increase the interest charge in the year ended 31 December 2019 by £19,358;
- to reduce the liability component of the loan at 31 December 2019 by £316,462;
- to include an equity reserve at 31 December 2019 of £327,782; and
- to reduce the balance on the profit and loss reserve at 31 December 2019 by £11,320.

22 Operating lease commitments: lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	162,797	158,197
Between two and five years	98,416	210,928
	<u>261,213</u>	<u>369,125</u>

23 Events after the reporting date

Issue of share capital

In October 2021 the parent company raised equity funds of \$2.8 million and on 27 October 2021 subscribed for 2,041,858 additional ordinary shares of £1 each in the share capital of the company.

The director has determined that these events are non-adjusting subsequent events.

24 Related party transactions

The company was wholly owned throughout the period by Access Systems Inc.

During the period the company had two wholly owned subsidiaries, Access Systems EBT Ltd. and Access Financial Analytics Ltd. The registered office of both wholly owned subsidiaries is City Tower, Piccadilly Plaza, Manchester, M1 4BT, United Kingdom.

The company has taken advantage of the exemptions available under Financial Reporting Standard 102 not to disclose key management personnel compensation, and not to disclose transactions with wholly owned subsidiaries or the parent company.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2020

25 Ultimate controlling party

The Company is controlled by Access Systems Inc., which is also the ultimate controlling party. Access Systems Inc. is also the ultimate and immediate parent company and is incorporated in the United States of America. Access Systems Inc.'s registered office is 2711 Centerville Road, Wilmington, Delaware 19808, USA.

26 Cash generated from operations

	2020 £	2019 £
Loss for the year after tax	(2,657,657)	(4,027,113)
Adjustments for:		
Taxation (credited)/charged	(148,729)	232,951
Finance costs	488,619	411,113
Investment income	(6,037)	(15,155)
Amortisation and impairment of intangible assets	1,642,477	816,460
Depreciation and impairment of tangible fixed assets	67,552	70,893
Movements in working capital:		
(Increase) in debtors	(75,955)	(79,144)
Increase in creditors	44,812	184,234
Increase in deferred income	135,653	520,684
Cash absorbed by operations	(509,265)	(1,885,077)

27 Analysis of changes in net funds/(debt)

	1 January 2020 £	Cash flows £	30 December 2020 £
Cash at bank and in hand	5,415,068	(2,410,248)	3,004,820
Borrowings excluding overdrafts	(4,207,838)	(252,186)	(4,460,024)
	<u>1,207,230</u>	<u>(2,662,434)</u>	<u>(1,455,204)</u>