

# Annual Report 2020

netcomp

netcompany

Netcompany UK Limited  
1st Floor  
Northburgh House  
Northburgh Street  
London  
EC1V 0AT

Central Business  
Registration number: 08 568 559

The Annual General Meeting adopted the annual report on 15 March 2021.  
Chairman of the General Meeting 2021

WEDNESDAY



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# Company information



**Registered office**

1st Floor  
Northburgh House  
Northburgh Street  
London  
EC1V 0AT

**Registered number**

08 568 559

**Directors**

Tine Kosmider Boye  
Claus Jørgensen  
Thomas Johansen  
André Rogaczewski

**Independent auditor**

Deloitte LLP  
Statutory auditor  
1 New Street Square  
London  
EC4A 3HQ

# Strategic report



The directors present the Strategic Report of Netcompany UK Limited (the "Company") for the year ended 31 December 2020.

## Business review

Netcompany UK Limited is a technology services group, which works with many prestigious private sector companies, as well as some of the UK's largest central Government departments. We have deep expertise in sectors that range from defence and healthcare through to manufacturing, finance and retail, delivering projects and services that drive real innovation and positive change for our clients.

The Company has made adjustments to figures in the Statement of Comprehensive Income to reclassify costs between cost of sales, marketing costs, administrative expenses and interest payable and similar expenses. Please refer to note 2 (page 20-24) for further disclosure.

We have deep expertise across a wide range of sectors and our services range from application development and cloud migration through to programme delivery and service operations.

## Financial performance

Throughout this financial year, we have continued to serve our clients in both the public and the private sec-

tor and repeat revenue from our client base remained high. Revenue for the year was £40.9m (2019: £46.9m) and EBIT was £-1.36m (2019: £3.09m). We ended the year being cash generative and with no long-term debt attached to the Company.

## Business development

Revenue from each of our practices continued to perform well over the past 12 months and we attained high levels of repeat business from our prestigious client base. We have maintained our strategy of concentrating on large private sector organisations and key central Government departments. Our team has continued to grow in size over the past 12 months and we have been successful in attracting senior and skilled technologists into the Company.

## Future developments

The directors anticipate no significant changes to operations of the Company in the future other than continued growth in revenue and profitability.

## Principal risks and uncertainties

The principal risks and uncertainties facing the Company are those in relation to the competitive environment.

There is a market risk that the Company is exposed to a change in the economic environment impacting revenue and ultimately profitability. The Company mitigates these risks through monitoring of the performance of the business periodically.

The Company has also considered the departure of the United Kingdom from the European Union ("Brexit"), and other than some uncertainty in the investment decisions of certain customers, the Company does not expect there to be a significant impact on operations, especially given that the vast majority of work is undertaken within the United Kingdom.

## Statement by the directors in performance of their statutory duties in accordance with s172(1)

This report sets out how the Directors comply with the requirements of Companies Act 2006 and how these requirements have impacted the Board's decision making throughout 2020.

## Our ambition and strategy, and consideration of the consequences of decisions for the long-term

Our ambition is to increase the market share both in the public and private sectors. Our strategy in the UK

follows Netcompany Group's overall strategy in which a key part of our delivery model is to use common tools and methodologies for developing new solutions.

The growth in market share is considered to being a continuous goal, which we need to thrive for the coming years. To reach our goal we aim to keep the allocated capital in the Company to ensure the firepower to exploit any openings in the market and to invest in our customers and relations.

In seeking growth in a responsible way, we rely on our current risk management policies and a governance model in which key management decisions are reviewed and approved by the Directors of the Company.

## Our people

We are committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole.

For our business to continuously succeed, we aim to attract the best talent, educate them rigorously in our own Netcompany Academy and hereby ensure quality

"side by side" training with skilled and more experienced colleagues. We are confident that our value proposition will prevail us to gain market share.

We also refer to our Strategic Report where we describe our transition in converting the independent contractors used to permanent employees, which we also expect to help the Company in accomplishing our ambition. Converting the independent contractors have in the short term increased employee liabilities while securing the commitment from the hired contractors.

#### **Business relationships**

Our strategy is to gain an increase in market share by organic growth and through the Netcompany business model. To do this, we need to develop and maintain strong client relationships. We value all of our customers and suppliers and a large part of new business is achieved through our strong relationship with these.

The strong relationship we have built can also be seen in the fact that we have successfully converted the majority of our contractors to permanent employees in 2020.

#### **Community and environment**

The advantages of digital transformation are real, tangible, and in many cases crucial for establishing sustainable business models in both private and public enterprises. We enable our customers to adapt to the ever-changing world whether the changes are caused by political forces, climate change or an unforeseen pandemic. We believe in agile, futureproof solutions, based on proven platform components that ensure full flexibility and opportunity for ongoing innovation. With our undisputed track record of delivering some of the most complex and innovative solutions we know how to deliver the right solutions instrumental for world-class, user-friendly, digital services for citizens and businesses. We are convinced that whilst a lot has been achieved in the area of digitalisation we are still only at the starting point of the journey.

#### **Maintaining a reputation for high standards of business conducts**

The Company has implemented a corporate governance structure, which has been adopted and approved by the Directors in UK. The Directors follow up on the implemented guidelines to ensure that the Company fulfills the internal governance measures. For detailed

information related to the guidelines, please refer to Group's governance statement, which can be found on <https://www.netcompany.com/en/investor-relations/governance>

#### **Communication with shareholders**

The Company follows the Groups overall investor relations policy in order to act fairly between the ultimate shareholders of the Company. The main objective comprises:

- i. The Company aspires to provide service that meets the highest standards and aims to be perceived as a trustworthy and open company.
- ii. The Company communicates all material information correctly, in a balanced, transparent and timely way and simultaneously to investors, equity analysts and other stakeholders in the financial markets to facilitate regular trading.
- iii. The Company provides monthly financial reporting to the shareholder, which is further included and used in the consolidated Group financial statements.

#### **Implementation of State IR35**

The implementation of IR35 in the UK represents a significant change to the UK labour market and can potentially impact Netcompany revenue negatively if independent contractors are not converted to permanent employees as expected. Implementation of reforms to off-payroll working rules is currently delayed for 12 months until April 2021.

An early adoption programme to convert from independent contractors to permanent employees and extensive analysis around IR35 is in progress.

#### **Key performance indicators**

The Company's key performance indicators are based on the financial performance of the business including metrics of revenue, gross profit margin, profit before tax and non-financial performance mainly focusing on number of employees.

The directors are satisfied with the performance of the business and above mentioned performance metrics are inherent in the financial statements presented.

As for further details on the Company's non-financial KPIs, we refer to the Group's environment, social and

governance report, which can be found on <https://www.netcompany.com/int/ESG>

#### Risks related to COVID-19

The spread of COVID-19 globally has challenged our business, authorities and every institution in society. Netcompany has assessed that the impact from COVID-19, to a large extent is dependent on the speed, which the markets where Netcompany operates, return to a more normal level of operations and functioning, combined with the impact of relief packages - both already announced relief packages and new potential fiscal stimuli packages - in the public and private sectors.

Specifically, the main effects of the COVID-19 that could impact Netcompany negatively - and where Netcompany have assessed the current situation and is taking mitigating actions are:

**Risk:** A general postponement of ongoing public tenders which could lead to prolonged and delayed decisions affecting the time when Netcompany could start new projects - assuming that the tenders are won.

**Mitigation:** Generally, Netcompany is engaged in

complex mission critical projects with our customers that tend to be the last projects that are postponed. In addition, a large proportion of Netcompany's revenue is generated from maintenance and operation of solutions previously deployed that continues to be operated - under the assumption that the respective customers are still operating. Currently this is the case for the vast majority of all Netcompany's customers in the private segment. In addition, some projects have been postponed and others have been initiated. Some private customers have requested extended payment terms as a result of the negative cash flow impact the COVID-19 crisis has on their respective businesses. In general, Netcompany has agreed to those requests but bad debts remain low.

**Risk:** Difficulties in working efficiently in a remote setting.

**Mitigation:** Being a "digital in nature" company, Netcompany turned all projects and customer facing activities into a remote setting rapidly in March 2020. In less than 24 hours all Netcompany employees were able to work and access all systems remotely at the same time. In addition, the vast majority of Netcompany's customers are already fairly advanced when it comes

to working in a digital setting. Meeting structures are being accommodated on an ad-hoc basis to ensure continued efficiency in cooperation with customers.

#### Events after the balance sheet date

We refer to note 25 regarding events after the balance sheet date. At the date of this report, and despite current progress on continuously developing on making vaccines available, the general improvement in understanding of how COVID-19 transmits and the measures required to prevent this, still remains uncertain on how the virus will evolve over time, and how long restrictions will last. However, the Government has announced that it expects all restrictions to be repealed at the beginning of the second half of 2021.

15 March 2021

THIS REPORT WAS APPROVED BY THE BOARD AND  
SIGNED ON ITS BEHALF BY

Thomas Johansen  
- Director



# Directors' report

The directors present their annual report and the audited financial statements of Netcompany UK Limited (the "Company") for the year ended 31 December 2020.

## Principal activity

The principal activity of the Company continued to be that of IT delivery and services.

## Matters covered in the Strategic Report

The Company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the Company's Strategic Report information required by Schedule 7 to the Large and Medium sized companies and groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Director's Report have been omitted as they have been included in the Strategic Report. These matters relate to the business review, future developments, principal risks and uncertainties, financial risk and management and key performance indicators.

## Results and dividends

The loss for the financial year amounted to £-1,189,196 (2019: profit £2,505,691). The directors do not recommend the payment of a dividend (2019: ENil).

## Directors

The directors who served during the year and up to the date of signing the financial statements were:

Tine Kosmider Boye  
Claus Jørgensen  
Thomas Johansen  
André Rogaczewski

## Director and director's indemnities

The Company has made qualifying third party indemnity provision for the benefit of its directors, which were made during the year and remain in force at the date of this report.

## Financial risks and management

The Company has the following risks:

### Foreign exchange risk

The Company's foreign currency risk arises mainly from the exchange rate movements of the Euro or against the U.K. pound sterling, which is the Company's functional and reporting currency. Presently, no transactions in forward currency exchange contracts are deemed necessary as the risk is minimal.

### Fair value of financial assets and financial liabilities

The carrying amounts of financial asset and financial liabilities approximate their respective fair values due

to the relatively short-term maturity. Fair values are periodically monitored by the Company.

### Interest rate risk

The Company has no interest bearing amounts owed by and due to group undertakings and therefore the Company deemed there is no risk to manage.

### Liquidity risk

Liquidity risk is monitored by the parent Groups treasury function and were not considered to represent a significant operating risk to the Company at the Balance Sheet date.

### Going concern

As highlighted on the statement of the financial position, the Company had positive cash balances at the 31 December 2020 with which to meet its day-to-day working capital requirements. Should additional cash requirements arise, the Company's ultimate parent company, Netcompany Group A/S will provide such financial support as may be required to enable the Company to meet its financial obligations. The regular financing of the Company's activities is through operations, and there are no other risks of third party indem-

nities that the directors are aware of.

In 2020, performance resulted in a loss due to the strict COVID-19 lockdown measures imposed in the UK. However, on a quarterly basis, performance in Netcompany UK increased in the last quarter, indicating that the bottom has been reached, financially. Further, the headline for Netcompany UK insinuates that there's an opportunity for continued growth opportunities and performance is expected to increase going forward.

However, some private customers have requested extended payment terms as a result of the negative cash flow impact the COVID-19 pandemic had on their respective businesses. In general, Netcompany has agreed to those requests but expected credit losses remains low.

Finally, Netcompany Group is considered to have sufficient strength and access to capital to be able to provide this support for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### Charitable and political donations

The Company made no charitable donations during the year (2019: ENil). The Company did not make any political donations during the year (2019: ENil).

#### Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that

are reasonable and prudent;

- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. 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.

#### Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant

- audit information of which the Company's auditor is unaware; and

- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

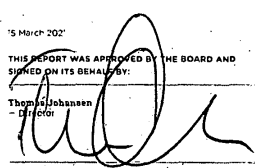
#### Independent auditor

2020 will be Deloitte LLP's final year as auditor, as the Audit Committee performed an audit tender and presented its proposal to elect EY LLP as auditor for 2021 to the Board. The appointment will occur subsequent to the conclusion of this year's audit. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

15 March 2021

THIS REPORT WAS APPROVED BY THE BOARD AND  
SIGNED ON ITS BEHALF BY:

Thomas Johansen  
- Director





# Independent auditor's report to the members of Netcompany UK Limited



## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Netcompany UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial

Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 directors' use of the going concern basis of ac-

counting 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 directors 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 directors are 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.

### 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This

description forms part of our auditor's report.

#### **Extent to which the audit was considered 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of ma-

terial amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to

the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**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.

15 March 2021

FOR AND ON BEHALF OF DELOITTE LLP STATUTORY  
AUDITOR, LONDON, UNITED KINGDOM

Sandy Sullivan  
— FCA (Senior Statutory Auditor)

*Sandy Sullivan*

## **Financial statements**



# Statement of comprehensive income for the year ended 31 December 2020



£	Note	2020	2019
Turnover	(4)	40,910,769	46,909,524
Cost of sales		-34,768,317	-37,030,359
<b>Gross profit</b>		<b>6,142,452</b>	<b>9,879,165</b>
Marketing costs		-127,444	-37,623
Administrative expenses		-7,371,691	-6,754,604
<b>Operating profit</b>	(9)	<b>-1,356,683</b>	<b>3,086,938</b>
Interest receivable and similar income	(8)	69,434	66,549
Interest payable and similar expenses	(9)	-209,546	-126,280
<b>(Loss)/profit before taxation</b>		<b>-1,496,795</b>	<b>3,027,207</b>
Tax on profit	(10)	307,599	-521,516
<b>(Loss)/profit of the financial year</b>		<b>-1,189,196</b>	<b>2,505,691</b>
<b>Total comprehensive (expenditure)/income for the financial year</b>		<b>-1,189,196</b>	<b>2,505,691</b>

The notes on page 20 to 40 form part of these financial statements.  
All activities of the Company are continuing.

# Statement of financial position as at 31 December 2020



## Assets (£)

Assets	Note	2020	2019
Fixtures, fittings & equipment	(11)	262,524	63,706
Computer equipment	(11)	19,802	23,272
Right-of-use assets	(12)	1,583,444	2,095,954
<b>Total fixed assets</b>		<b>1,865,771</b>	<b>2,182,932</b>
Investments in subsidiaries	(13)	67,156	67,156
Deferred tax asset	(19)	130,728	84,065
Other receivables		36,904	20,281
<b>Total financial assets</b>		<b>234,788</b>	<b>171,502</b>
<b>Total non-current assets</b>		<b>2,100,559</b>	<b>2,354,434</b>
Trade and other receivables	(14)	7,094,902	6,304,332
Work in progress	(15)	5,181,922	2,898,558
Corporation tax assets		227,924	-
<b>Total current assets</b>		<b>12,504,746</b>	<b>9,202,890</b>
Cash at bank and in hand	(16)	2,501,659	7,341,234
<b>Assets</b>		<b>17,106,964</b>	<b>18,898,558</b>

The notes on page 20 to 40 form part of these financial statements.

# Statement of financial position

## as at 31 December 2020 (continued)

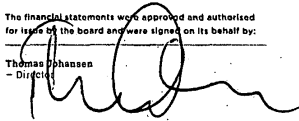
### Liabilities (£)

Equity	Note	2020	2019
Called up share capital	(20)	10,869	10,869
Share premium reserve		9,344	9,344
Other reserves		991,963	442,451
Retained earnings		8,710,470	9,899,666
<b>Total equity</b>		<b>9,722,646</b>	<b>10,362,330</b>
Leasing	(12)	788,663	1,363,685
<b>Non-current liabilities</b>		<b>788,663</b>	<b>1,363,685</b>
Trade and other payables	(17)	3,846,386	4,746,276
Payables to Group entities	(18)	1,705,389	1,445,325
Leasing	(12)	917,753	875,267
Corporation tax liability			102,565
Prebilled invoices	(15)	126,126	3,111
<b>Current liabilities</b>		<b>6,595,654</b>	<b>7,172,543</b>
<b>Liabilities</b>		<b>7,384,317</b>	<b>8,536,228</b>
<b>Equity and liabilities</b>		<b>17,106,964</b>	<b>18,898,558</b>

15 March 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Thomas Pihansen  
- Director



# Statement of changes in equity for the year ended 31 December 2020

£	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
At 1 January 2020	10,869	9,344	442,451	9,899,666	10,362,330
Comprehensive income for the financial year					
Loss for the financial year	-	-	-	-1,189,196	-1,189,196
Total comprehensive loss for the financial year	-	-	-	-1,189,196	-1,189,196
Share Based Payment transactions					
LTIP scheme	-	-	549,512	-	549,512
Total transactions with the staffs	-	-	549,512	-	549,512
At 31 December 2020	10,869	9,344	991,963	8,710,470	9,722,646

The notes on page 20 to 40 form part of these financial statements.





# Statement of changes in equity for the year ended 31 December 2019

E	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
At 1 January 2019	10,869	9,344	109,225	7,393,975	7,523,413
Comprehensive income for the financial year					
Profit for the financial year	-	-	-	2,505,691	2,505,691
Total comprehensive income for the financial year	-	-	-	2,505,691	2,505,691
Share Based Payment transactions					
LTIP scheme	-	-	333,226	-	333,226
Total transactions with the staffs	-	-	333,226	-	333,226
At 31 December 2019	10,869	9,344	442,451	9,899,666	10,362,330

The notes on page 20 to 40 form part of these financial statements.

# Notes to the financial statements



① General information	19	⑭ Trade and other receivables	34
② Accounting policies	20	⑮ Work in progress	35
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# General information

Netcompany UK Limited (the "Company") is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, Northburgh House, Northburgh Street, London, England, EC1V 0AT. The main trading address of the Company is Queen Victoria House, 26 Queen Victoria Street, Reading RG1 1TG.

The principal activity of the Company continued to be that of IT delivery and services.



## ② Accounting policies



### Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

### Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures

- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

### Exemption from preparing consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

The financial statements of the Company are consolidated in the financial statements of NC TopCo A/S (now known as Netcompany Group A/S). These consolidated financial statements are available from <https://www.netcompany.com/int/Investor-Relations/Financials>.

### Going concern

As highlighted on the Statement of the financial position, the Company has positive cash balances with which to meet its day-to-day working capital requirements. Should additional cash requirements arise, the Company's ultimate parent company, Netcompany Group A/S will provide such financial support as may be required to enable the Company to meet its financial obligations. The regular financing of the Company's activities is through operations, and there are no other risks or third party indemnities that the directors are aware of.

After making assessment and review of forecasts, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

### Tangible assets

Tangible assets are measured at cost net of accumulated 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:  
Depreciation is provided on the following basis:

Fixtures, fittings & equipment → 20% Straight Line  
Computer equipment → 20% Straight Line  
Leased assets → 1 - 10 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are

# Accounting policies (continued)



recognised in the Statement of Comprehensive Income.

Right of use assets are measured at cost less accumulated depreciation and impairment losses adjusted for any remeasurements of the lease liability where initial cost is equal to the initial amount of the related lease liability. Depreciation is straight-line on the basis of the underlying contracts which are 1-10 years.

## Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible 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.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which

case the reversal of the impairment loss is treated as a revaluation increase.

## Leased assets: the Company as lessee

Assets obtained under leases are capitalised as tangible fixed assets. These assets are depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

## Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

## Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

## Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

## Trade receivables

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# Accounting policies (continued)

## Cash and cash equivalents

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.

## Financial instruments

Financial instruments are recognised in the Company's Statement of the financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financ-

ing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

## 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.

## 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.

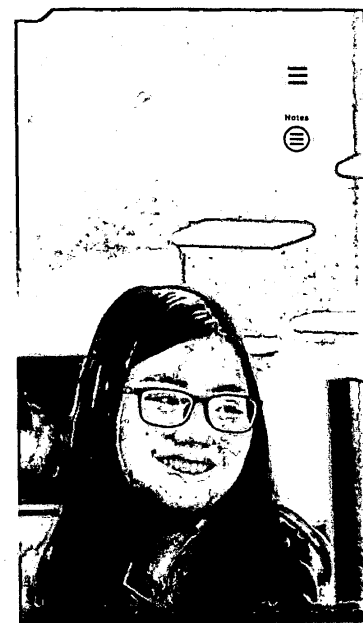
Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affect-

ed. 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.



# Accounting policies (continued)



## Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

## Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current

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

## Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 101 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

## Derecognition of financial liabilities

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

## Equity instruments

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

## Trade payables

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised

directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

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

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and

# Accounting policies (continued)



the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

## 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.

## Retirement benefits

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

## Long Term Incentive Plan (LTIP)

The LTIP is a share-based incentive programme that is granted annually, and will vest in three years pending performance in the given three year period. The programme is revolving in character.

The value of the annual grant is transferred into Restricted Stock Units (RSU) based on the weighted average share price the first three days following the release of the annual report.

The targets in the LTIP are based on top line growth and operating profit, in the three year period each grant covers. The targets are in line with the strategic objectives of the Group.

## Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the year.

## Contract work in progress consists of client related assets and liabilities

Contract work in progress is measured at the selling price of the work carried out less prepayments received at the Balance Sheet date. The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources. For some projects where the consumption of resources cannot be applied as a basis, the ratio between completed and total sub-activities of the individual projects has been applied. If the selling price of a project cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value. If prepayments received exceed the selling price on a contract by contract basis, the excess amount is recognised as a liability in "Prepayments received from customers".

## New standards, amendments and IFRIC interpretations

Revised and new standards and interpretations issued, but not yet effective or approved by the EU at the time of publication of this Annual Report 2020, have not

been incorporated into this report.

## Changes to the accounting standards

IFRS 3 Business combinations, IAS 1 and IAS 8 Definition of Material are endorsed by the EU and effective from 1 January 2020. The changes to these standards are not expected to have a significant impact on the Company.



# ③ Judgements in applying accounting policies and key sources of estimation uncertainty



In the application of the Company's accounting policies, the directors are required to make 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 current and future periods.

## ESTIMATES AND ASSUMPTIONS

### Contract work in progress

Contract work in progress for fixed price contracts is

measured at the selling price of work completed at the Balance Sheet date, and the selling price is calculated on the basis of contracted income and the determined stage of completion. Stage of completion is determined making estimates of future hours and other project costs.

The Company reviews its contract portfolio on a regular basis. If circumstances arise that change the original estimates of the selling price of the contracts or costs, revisions to estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in the Statement of Comprehensive Income in the period in which the circumstances giving rise to the revisions become known by the Company.

### Tax

The Company recognises deferred tax assets, including the tax base of tax loss carryforwards, if it is estimated that there will be sufficient future taxable income

against which the temporary differences and unutilised tax losses can be utilised. This assessment is based on budgets and business plans for the following years, including planned business initiatives. Deferred tax assets are tested annually and are only recognised if they are likely to be utilised.

## JUDGEMENTS

### Going concern

The Company had a positive cash balance at the 31 December 2020. However, should additional cash requirements arise, the Company's ultimate parent company, Netcompany Group A/S will provide such financial support as may be required to enable the Company to meet its financial obligations. The regular financing of the Company's activities is through operations, and there are no other risks or third party indemnities that the directors are aware of.

After making assessment of the forecasts and review-

ing the current performance, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future which includes an assessment of the ability of the Netcompany Group A/S (the "Group") to provide any financial support if it is required. As discussed in the Strategic Report, there are uncertainties arising from the current COVID-19 virus. The Group is considered to have sufficient strength and access to capital to be able to provide this support for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## ④ Turnover

An analysis of turnover by class of business is as follows: (£)

	2020	2019
IT Services	40,910,769	46,909,524

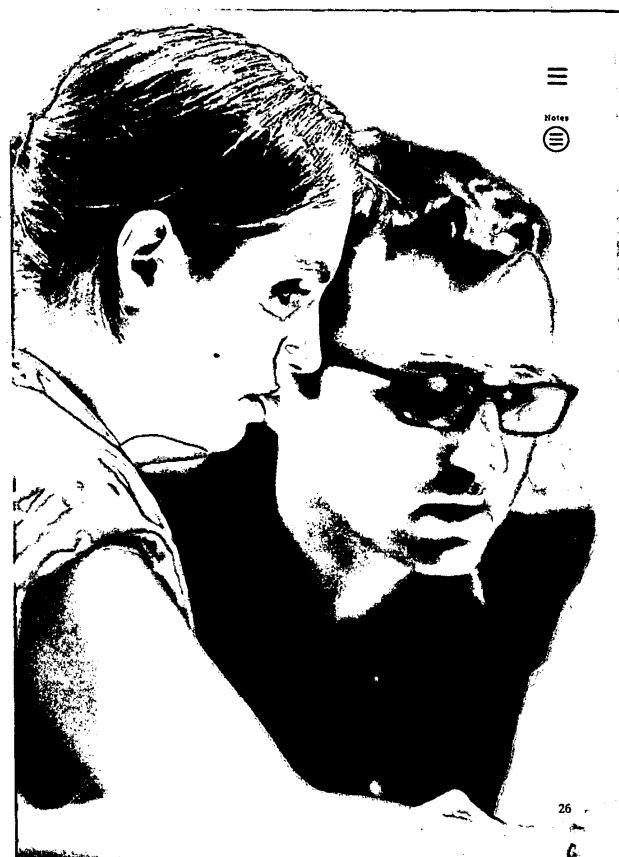
Analysis of turnover by country of destination: (£)

United Kingdom	40,525,804	46,908,964
Rest of Europe	384,965	560
Rest of the world		
<b>Total turnover</b>	<b>40,910,769</b>	<b>46,909,524</b>

## ⑤ Operating profit

The operating profit is stated after charging/(crediting): (£)

	2020	2019
Depreciation of owned tangible assets	70,932	69,972
Depreciation of right-of-use tangible assets	805,791	589,705
Share based expenses	514,884	347,010



## ⑥ Employees



Staff costs, including directors' remuneration, were as follows: (£)	2020	2019
Salary costs	19,587,770	10,021,975
Employers NI costs	2,244,296	1,094,555
Other pension costs	370,660	200,355
<b>Total staff costs</b>	<b>22,202,726</b>	<b>11,316,885</b>

The average monthly number of employees, including the directors, during the year was as follows:	2020 Number	2019 Number
Operational delivery and support	273	131
Administration	23	22
<b>Total number of employees</b>	<b>296</b>	<b>153</b>

These figures represent an average with the employees base growing considerably across the year.

## ⑦ Directors' remuneration

£	2020	2019
Aggregate directors' emoluments	-	-
Company contributions to defined contribution pension schemes	-	-
<b>Total remuneration of directors</b>	<b>-</b>	<b>-</b>

During the year retirement benefits were accruing to no directors (2019: Enill) in respect of defined contribution pension schemes. As of 31 December 2020 there are no directors remunerated directly by the Company. For further details on directors' remuneration please refer to the Netcompany Group annual report.

## ⑧ Interest receivable and similar income

€	2020	2019
Other interest receivable	69,434	66,549

## ⑨ Interest payable and similar expenses

€	2020	2019
Foreign exchange differences	123,750	57,172
Loans from group undertakings	10,622	17,515
Finance leases and hire purchase contracts	71,943	49,969
Interest on invoice finance arrangements	3,231	1,624
<b>Total interest payable and similar expenses</b>	<b>209,546</b>	<b>126,280</b>



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# Tax on profit

Notes

Corporation tax (£)	2020	2019
Current tax on profits for the year	-218,125	675,105
Adjustments in respect of previous periods	-42,811	-90,277
<b>Total current tax</b>	<b>-260,936</b>	<b>584,828</b>

Deferred tax (£)		
Origination and timing differences	-87,529	-63,312
Adjustment in respect of previous periods	40,866	-
<b>Total deferred tax</b>	<b>-46,663</b>	<b>-63,312</b>

<b>Total tax</b>	<b>-307,599</b>	<b>521,516</b>
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## Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained at the right side.

£	2020	2019
<b>Profit before taxation</b>	<b>-1,496,795</b>	<b>3,027,207</b>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	-284,391	575,169

## Effects of: (£)

Adjustments in respect of prior years	-1,945	-90,277
Non-taxable income	-31,522	-
Non-deductible expenses	-	36,624
Change in tax %	10,259	-
<b>Total tax charge for the financial year</b>	<b>-307,599</b>	<b>521,516</b>

## Factors affecting tax charge for the year

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for IFRS and UK GAAP purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19 percent, rather than the previously enacted reduction to 17 percent.

## 11 Property, plant and equipment



Cost (£)	Fixtures, fittings & equipment	Computer equipment	Total
At 1 January	90,300	142,252	232,552
Additions	247,470	18,810	266,280
Cost as at 31 December 2020	337,770	161,062	498,832

### Accumulated depreciation

At 1 January	26,594	118,980	145,574
Charge for the year	48,652	22,280	70,932
At 31 December 2020	75,246	141,260	216,506

### Net book value

At 31 December 2020	262,524	19,802	282,326
At 31 December 2019	63,706	23,272	86,978

# Leases

## Right-of-use assets

Cost (£)	Buildings	Equipment	Total
At 1 January 2019	1,456,123	-	1,456,123
Additions	1,382,035	21,013	1,403,048
<b>At 31 December 2019</b>	<b>2,838,158</b>	<b>21,013</b>	<b>2,859,171</b>
Additions	294,724	13,507	308,231
Disposal	-20,575	-	-20,575
Remeasurement	-	-14,950	-14,950
<b>At 31 December 2020</b>	<b>3,112,307</b>	<b>19,570</b>	<b>3,131,877</b>

The entity leases several assets including buildings and equipment. The average lease term is 2.5 years (2019: 2.1 years).

The entity's obligations are secured by the lessors' title to the leased assets for such leases.

Few leases for buildings and equipment expired in the current financial year.

## Accumulated depreciation

At 1 January 2019	173,512	-	173,512
Charge for the year	584,836	4,869	589,705
<b>At 31 December 2019</b>	<b>758,348</b>	<b>4,869</b>	<b>763,217</b>
Charge for the year	801,338	4,453	805,791
Disposal depreciation	-20,575	-	-20,575
<b>At 31 December 2020</b>	<b>1,539,111</b>	<b>9,322</b>	<b>1,548,433</b>

## Carrying amount

At 31 December 2019	2,079,810	16,144	2,095,954
<b>At 31 December 2020</b>	<b>1,573,196</b>	<b>10,248</b>	<b>1,583,444</b>

# Leases (continued)



Amounts recognised in profit and loss	2020	2019
Depreciation expense on right-of-use assets	805,791	589,705
Interest expense on lease liabilities	71,943	49,969

## Lease liabilities

<b>Maturity analysis</b>		
Less than one year	933,493	971,815
1 - 5 years	829,371	1,068,096

Interest expense	56,448	199,041
<b>Total interest expense</b>	<b>56,448</b>	<b>199,041</b>

<b>Analysed as</b>		
Non-current	788,663	1,363,685
Current	917,753	875,267

The entity does not face a significant liquidity risk with regard to its lease liabilities.  
Lease liabilities are monitored within the entity's treasury function.



# Investments in subsidiaries

Cost (£)	Shares in group undertaking
At 1 January 2020	67,156
At 31 December 2020	67,156

## Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Netcompany Vietnam Ltd.	No. 26, Ung Van Khiem Street, Ward 25, Binh Thanh District, Ho Chi Minh City Vietnam	IT Software consultancy	Single-member LLC	100%

⑭ **Trade and  
other receivables**

(£)	2020	2019
Trade debtors	6,702,470	5,940,095
Other debtors	0	11,231
Prepayments and accrued income	392,432	353,006
<b>Total trade and other receivables</b>	<b>7,094,902</b>	<b>6,304,332</b>



## 15 Work in progress

(£)	2020	2019
Selling price of work performed	11,194,316	8,093,606
Invoiced amount	-6,138,521	-5,198,159
<b>Total work in progress</b>	<b>5,055,796</b>	<b>2,895,447</b>

Net value – calculated on a contract-per-contract basis – is presented in the statement of financial positions as follows

Contract work in progress	5,181,922	2,898,558
Prebilled invoices	-126,126	-3,111
<b>Total work in progress</b>	<b>5,055,796</b>	<b>2,895,447</b>

## 16 Cash at bank and in hand

(£)	2020	2019
<b>Cash at bank and in hand</b>	<b>2,501,659</b>	<b>7,341,234</b>

## ⑪ Trade and other payables

(£)	2020	2019
Trade creditors	732,042	1,704,475
Wages and salaries, payroll taxes, social security and VAT	2,133,231	1,199,641
Other payables	981,113	1,842,160
<b>Total trade and other payables</b>	<b>3,846,386</b>	<b>4,746,276</b>

## ⑫ Payables to Group entities

(£)	2020	2019
Amounts owed to Parent	637,526	-
Amounts owed to Group companies	1,067,863	1,445,325
<b>Total trade and other payables</b>	<b>1,705,389</b>	<b>1,445,325</b>

The amounts owed to group undertakings is carrying an interest rate of 2% and is payable on demand.

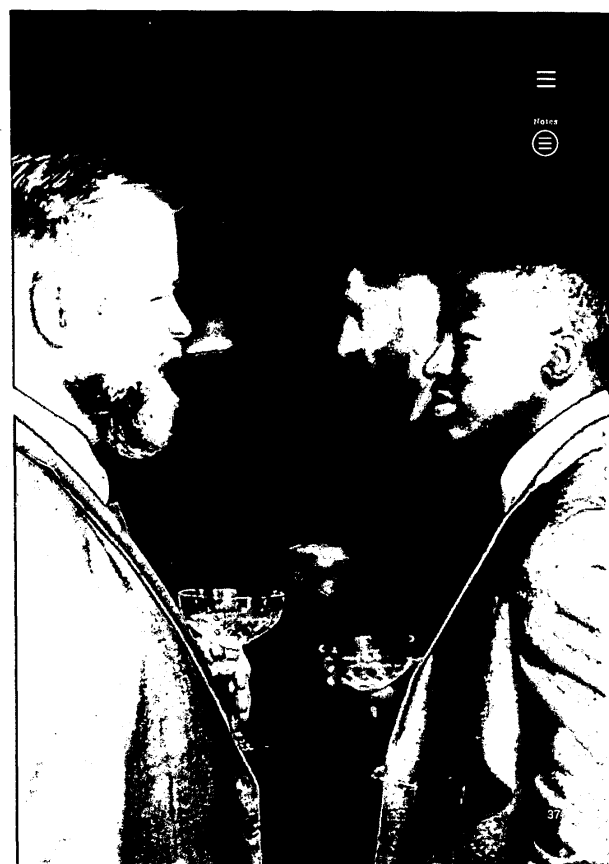
## 19 Deferred taxation

(£)	2020
At beginning of financial year	84,065
Charged to profit or loss	87,529
Adjustment in respect of prior years	-40,866
At end of financial year	130,728

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

(£)	2020	2019
Accelerated capital allowances	130,728	84,065

The deferred tax asset set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.



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## Called up share capital



Shares classified as equity (£)	2020	2019
Allotted, called up and fully paid 108,690 (2019: 108,690)		
Ordinary shares of £0.10 (2019: £0.10) each	10,869	10,869

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## Reserves

### Share premium account

Share premium represents the amount subscribed for share capital in excess of the nominal value.

### Other reserves

Other reserves relates to the recognition of the Company's share of the long term incentive programme (LTIP) which is being operated by the Company's ultimate parent, Netcompany Group A/S.

### Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

## 22 Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £761,366 (2019: £273,365), of which £78,736 (2019: £73,010) is not paid as of 31 December 2020 and therefore recognised as a liability.

## 23 Auditor's remuneration

£'	2020	2019
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	56,000	55,000

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## Ultimate parent undertaking and controlling party

The immediate parent company of Netcompany UK Limited is Netcompany UK Holding Limited and its registered office is 1st Floor, Northburgh House, Northburgh Street, London, EC1V 0AT.

The ultimate parent undertaking and controlling party is Netcompany Group A/S, a company incorporated in Denmark.

At the Balance Sheet date, Netcompany Group A/S was the parent undertaking of the largest and smallest group within which the subsidiary belonged and for which consolidated financial statements were prepared.

The registered office address of Netcompany Group A/S is Gronningen 17, 1. Sal. 1270 Copenhagen OE, Denmark. Copies of the consolidated financial statements

of Netcompany Group A/S are publicly available from <https://www.netcompany.com/int/Investor-Relations/Financials>.



Notes



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## Events after the balance sheet date

After the balance sheet date, the Government has announced that it expects all the restrictions related to COVID-19 to be repealed at the beginning of the second half of 2021.

A letter of support has been provided by the Group, where has been stated that the Group is willing and able to provide continuing financial support to the

Company to enable the Company to operate as going concern and to meet its obligations for a period of not less than 12 months from the date of signature of the directors' report and the financial statements for the year ended 31 December 2020.