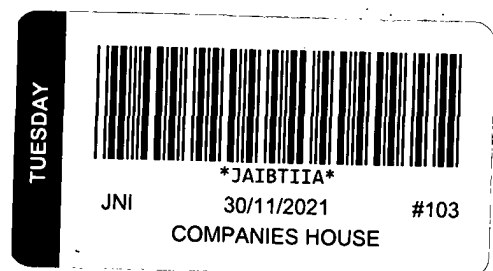




Aryza Holdings Limited

Directors' Report and
Consolidated Financial Statements
for the financial year ended
31 December 2020

Company Number 11002926



ARYZA HOLDINGS LIMITED

**DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CONTENTS

	PAGE
DIRECTORS AND OTHER INFORMATION	2
STRATEGIC REPORT	3 - 5
DIRECTORS' REPORT	6 - 8
DIRECTORS' RESPONSIBILITIES STATEMENT	9
INDEPENDENT AUDITOR'S REPORT	10 - 13
CONSOLIDATED INCOME STATEMENT	14
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	15
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	16
COMPANY STATEMENT OF FINANCIAL POSITION	17
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	18
COMPANY STATEMENT OF CHANGES IN EQUITY	19
CONSOLIDATED STATEMENT OF CASH FLOWS	20
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	21 - 51

ARYZA HOLDINGS LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Andrew Blazye
Colin Brown
Keith Dignam
Robert Doherty
Michael England
James Scott

COMPANY NUMBER

11002926

REGISTERED OFFICE

11 - 12 Hanover Square
London
England
W15 1JJ

AUDITORS

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

BANKERS

Allied Irish Banks, p.l.c.
10 Molesworth Street
Dublin 2
Ireland

Ulster Bank
11-16 Donegall Square East
BT1 5UB
Northern Ireland

SOLICITORS

McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Dublin 2

INTRODUCTION

The directors present their report for the year ended 31 December 2020. This is in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Aryza Group ("the Group") is a technology company that provides advanced software solutions across the Lending & Debt cycles, designed to manage complex processes, navigate financial journeys, and positively impact the financial wellbeing of its users.

Aryza Group provides software solutions for all stages of the Lending & Debt Cycles including:

- Credit application
- Loan management
- Arrears processing
- Collections
- Debt Advice & Referral
- Insolvency

The Group currently operates in the UK, Ireland, Canada, New Zealand and the Cayman Islands and continues to seek to expand into new geographies.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors of Aryza Holdings Limited ("AHL") have the responsibility to monitor the overall risk management process within its subsidiaries.

The principal risks and uncertainties of AHL and its subsidiaries relate, primarily, to the pace of technological change and its impact on the intellectual property of AHL and its subsidiaries; and ensuring its technology remains compliant with regulatory requirements associated with the management of insolvent individuals and corporates.

The Board of Directors of AHL is ultimately responsible for identifying and controlling risks. Management is responsible for the overall risk management approach and have implemented processes and procedures to address the risks identified. The Board of Directors of AHL conduct an annual risk assessment exercise.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The business has been affected by Covid-19 in 2020, with some of its volume driven revenues negatively impacted by temporary government actions. Despite this, the business continued to grow with average headcount increasing by 38% from 80 in 2019 to 110 in 2020 as Aryza continued to invest in expanding its product offering and geographic reach. The business continues to innovate to meet evolving customer needs, for example successfully launching a new Debtsense suite of products to service the increasing demand for automation software as organisations adapt to the pandemic and digitalise their operations.

On 23 December 2020, the Company acquired 100% of the issued share capital of Anchor Computer Systems Group Limited ("Anchor"), a company whose primary activities are the sale of software applications to the UK lending sector.

The recent acquisitions of Anchor, Hubsolv Limited (completed in January 2021) and Insol 6 Pty Ltd (completed in September 2021) further expand Aryza's presence across the Lending & Debt Cycles as well as extend its geographic reach. This puts the business in an even stronger position to benefit from the upcoming recovery, as well as provides exposures to new attractive markets to support future growth.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group's financial key performance indicators for measuring success is revenue growth and operating profit before amortisation and depreciation.

Revenue for 2020 was £19,390,320, a decrease of 9% over 2019 largely due to the effect of Covid-19 on the business. EBITDA of £8,299,004 (2019: £8,093,092 as restated), an increase of 2.5% over 2019.

EBITDA is calculated as operating profit of £1,622,432 (2019: £2,653,255 as restated), before amortisation £6,492,354 (2019: £5,325,769) and depreciation of £184,218 (2019: £114,068).

RESEARCH AND DEVELOPMENT

The Group continues to invest in research and development. This has resulted in a number of new products and services expected to be launched in the coming year which we expect to make significant contributions to the profit of the business. The Directors regard investment in this area as a prerequisite for success in the medium to long-term future.

RESTATEMENT

During 2020, management discovered an error in relation to the timing of when certain IT related service costs were accounted for with respect to a small number of suppliers. The error was corrected by restating each of the affected financial statement line items for the prior years. See note 29 for further details.

ARYZA HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

GOING CONCERN

The Directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. See note 2 for further details.

Approved by the Board and signed on its behalf by:



Colin Brown
Director



Andrew Blazye
Director

30 November 2021

Date

ARYZA HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITY

The primary activities of the Group are the development and sale of software applications to customers in the UK, Canada, Ireland and New Zealand.

DIRECTORS

The Directors who served throughout the financial year, except as noted, were as follows:

Andrew Blazye
Colin Brown
Keith Dignam
Robert Doherty
Michael England
James Scott

There were no changes to the board of Directors since the financial year end date.

DIRECTORS' INTERESTS IN SHARE CAPITAL

The Directors' interests in the shares of Aryza Holdings Limited at 31 December 2020 and 1 January 2020 were as follows:

Directors Name	Company	Class of Shares	Numbers held at	
			31/12/2020	01/01/2020
Andrew Blazye	Aryza Holdings Limited	A Ordinary Shares	571	-
	Aryza Holdings Limited	C Ordinary Shares	4,500	-
Colin Brown	Aryza Holdings Limited	A Ordinary Shares	1,513	1,120
	Aryza Holdings Limited	B Ordinary Shares	5,000	5,000
	Aryza Holdings Limited	C Ordinary Shares	2,500	2,000
Keith Dignam	Aryza Holdings Limited	A Ordinary Shares	571	-
	Aryza Holdings Limited	C Ordinary Shares	1,250	750
Robert Doherty	Aryza Holdings Limited	A Ordinary Shares	179	-
	Aryza Holdings Limited	B Ordinary Shares	2,000	2,000
	Aryza Holdings Limited	C Ordinary Shares	2,500	2,000

The Directors did not hold any other shares in other Group companies as at 31 December 2020.

POLITICAL CONTRIBUTIONS

The Company did not make any disclosable political donations in the current financial year (2019: £Nil).

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 15 January 2021, the Company acquired a 19% share of B2C Finance Limited, a company incorporated in England and Wales and on 20 January 2021, the Company acquired HubSolv Limited, a company incorporated in Scotland. The value of the acquisitions has not been provided on the basis that it is commercially sensitive information.

On 26 July 2021, pursuant to company law requirements, the Company completed a share premium reduction of £40,000,000 by means of a summary approval procedure, transferring this amount to its distributable reserves.

As part of the refinancing of its loan facilities, on 26 July 2021, the Company signed a new loan facility agreement with Permira Credit Solutions. On 16 August 2021, the Company was released from all charges previously held with Allied Irish Bank.

On 10 September 2021, the Company acquired Insol 6 Pty Limited, a company incorporated in Western Australia. The value of the acquisition has not been provided on the basis that it is commercially sensitive information.

On 17th September 2021, the convertible loan note in issue at the financial year end, which amounted to £10,931,785, was converted to 8,017 "A" shares.

On 27th September 2021, the Company declared an interim dividend amounting to £19,464,311 to be paid to the "A" Shareholders.

There have been no other significant events affecting the Group and Company since the financial year end.

ARYZA HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that:

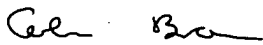
- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.


AUDITORS

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have signified their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board and signed on its behalf by:



Colin Brown
Director



Andrew Blazye
Director

30 November 2021

Date

ARYZA HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with the Companies Act 2006.

UK Company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council* ("relevant financial reporting 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 assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2006.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Group and Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2006 and enable the financial statements to be audited.

They 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARYZA HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Aryza Holdings Limited (the 'parent company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 30, including a summary of significant accounting policies as set out in note 2.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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 accounting in the preparation of the financial statements is appropriate.

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARYZA HOLDINGS LIMITED

Report on the audit of the financial statements (Continued)

Other information

The other information comprises the information included in the Directors' Report and Consolidated Financial Statements, 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), the auditor exercises professional judgment and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the entity's (or where relevant, the consolidated) financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. The auditor includes an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's (or where relevant, the Group's) internal control.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARYZA HOLDINGS LIMITED

Report on the audit of the financial statements (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concludes on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's (or where relevant, the Group's) ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the Group) to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).
- Where the auditor is required to report on consolidated financial statements, obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Group auditor is responsible for the direction, supervision and performance of the Group audit. The Group auditor remains solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

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 group's industry and its control environment, and reviewed the group'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 framework[s] that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Company's compliance with personal insolvency legislation.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, and IT specialists 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.

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Independent auditor's report to the members of Aryza Holdings Limited

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 and legal counsel 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 Group and of the parent company and their 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:

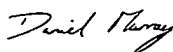
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Report on other legal and regulatory requirements (Continued)

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.



Daniel Murray FCA (Senior statutory auditor)
For and on behalf of Deloitte Ireland LLP
Statutory Auditor
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 30 November 2021

ARYZA HOLDINGS LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<i>Notes</i>	2020 £	2019 £ Restated
TURNOVER	4	19,390,320	21,250,174
Cost of sales		(2,403,186)	(2,046,233)
		<hr/>	<hr/>
GROSS PROFIT		16,987,134	19,203,941
Administrative expenses		(15,364,702)	(16,550,686)
		<hr/>	<hr/>
OPERATING PROFIT	5	1,622,432	2,653,255
Finance costs (net)	9	(1,094,903)	(765,745)
		<hr/>	<hr/>
PROFIT BEFORE TAXATION		527,529	1,887,510
Tax on profit	10	(1,062,743)	(797,508)
		<hr/>	<hr/>
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(535,214)	1,090,002
		<hr/>	<hr/>

All of the above results are in respect of continuing operations.

The notes on pages 21 to 51 form part of these financial statements.

ARYZA HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<i>Notes</i>	2020 £	2019 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(535,214)	1,090,002
Exchange differences on translation of foreign operations		134,988	(335,637)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		(400,226)	754,365
Attributable to:			
Owners of the Company		(400,226)	754,365
Non-controlling interests		-	-
		(400,226)	754,365

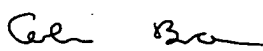
The notes on pages 21 to 51 form part of these financial statements.

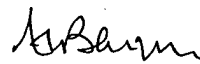
ARYZA HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £ Restated
Fixed assets			
Intangible assets	12	53,249,417	45,106,719
Tangible assets	13	1,865,930	371,467
		<u>55,115,347</u>	<u>45,478,186</u>
Current assets			
Debtors	16	12,670,633	10,545,809
Cash at bank and in hand		3,402,454	1,515,857
		<u>16,073,087</u>	<u>12,061,666</u>
Creditors: Amounts falling due within one year	17	<u>(11,107,974)</u>	<u>(11,232,001)</u>
Net current assets		<u>4,965,113</u>	<u>829,665</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>60,080,460</u>	<u>46,307,851</u>
Creditors: Amounts falling due after more than one year	18	<u>(28,888,743)</u>	<u>(19,417,210)</u>
Provision for liabilities	20	<u>(3,626,813)</u>	<u>(1,600,451)</u>
NET ASSETS		<u>27,564,904</u>	<u>25,290,190</u>
CAPITAL AND RESERVES			
Called up share capital presented as equity	22	700	551
Share premium account	23	40,454,447	38,754,171
Equity reserves	24	974,515	-
Capital redemption reserve	24	296	296
Translation reserve	24	(363,572)	(498,561)
Profit and loss account – (deficit)	24	(13,501,482)	(12,966,267)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>27,564,904</u>	<u>25,290,190</u>

The financial statements of Aryza Holdings Limited were approved and authorised for issue by the Board of Directors on 30 November 2021 and signed on its behalf by:


Colin Brown
Director


Andrew Blazye
Director

The notes on pages 21 to 51 form part of these financial statements.

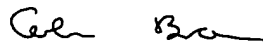
ARYZA HOLDINGS LIMITED

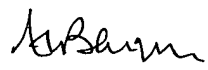
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Fixed assets			
Financial assets	14	72,290,175	59,378,021
Current assets			
Debtors	16	9,601,937	7,028,166
Cash and cash equivalents		1,056,276	1,056,945
		10,658,213	8,085,111
Creditors: Amounts falling due within one year	17	(10,606,313)	(7,412,239)
Net current assets		51,900	672,872
TOTAL ASSETS LESS CURRENT LIABILITIES		72,342,075	60,050,893
Creditors: Amounts falling due after more than one year	18	(28,816,180)	(19,417,210)
Provision for liabilities	20	(3,150,351)	(1,600,451)
NET ASSETS		40,375,544	39,033,232
CAPITAL AND RESERVES			
Called up share capital presented as equity	22	700	551
Share premium account	23	40,454,447	38,754,171
Equity reserves	24	974,515	-
Capital redemption reserve	24	296	296
Profit and loss account – (deficit) / surplus	24	(1,054,414)	278,214
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		40,375,544	39,033,232

The loss for the financial year dealt with in the financial statements of the parent Company was £1,332,628 (2019: profit of £6,510,875).

The financial statements of Aryza Holdings Limited (registered number 11002926) were approved and authorised for issue by the Board of Directors on 30 November 2021 and signed on its behalf by:


Colin Brown
Director


Andrew Blazye
Director

The notes on pages 21 to 51 form part of these financial statements.

ARYZA HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Share capital £	Capital redemption reserve £	Share premium account £	Translation reserve £	Equity reserve £	Profit and loss account (deficit)/ surplus £	Total £
At 1 January 2019 (as previously stated)	768	-	36,685,513	(162,924)	-	2,719,475	39,242,832
Prior year adjustment	-	-	-	-	-	(279,604)	(279,604)
At 1 January 2019 (as restated)	768	-	36,685,513	(162,924)	-	2,439,871	38,963,228
Profit for the financial year (as restated)	-	-	-	-	-	1,090,002	1,090,002
Share repurchase during the financial year	(296)	296	-	-	-	(16,496,140)	(16,496,140)
Shares issued during the financial year	79	-	2,068,658	-	-	-	2,068,737
Exchange differences on translation of foreign operations	-	-	-	(335,637)	-	-	(335,637)
At 31 December 2019 (as restated)	551	296	38,754,171	(498,561)	-	(12,966,267)	25,290,190
Loss for the financial year	-	-	-	-	-	(535,214)	(535,214)
Shares issued during the financial year	149	-	1,700,276	-	-	-	1,700,425
Recognition of equity component of convertible loan notes	-	-	-	-	974,515	-	974,515
Exchange differences on translation of foreign operations	-	-	-	134,988	-	-	134,988
At 31 December 2020	700	296	40,454,447	(363,573)	974,515	(13,501,481)	27,564,904

The notes on pages 21 to 51 form part of these financial statements.

ARYZA HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Share Capital £	Capital redemption reserve £	Share premium account £	Equity reserve £	Profit and loss account £	Total £
At 1 January 2019	768	-	36,685,513	-	10,263,479	46,949,760
Profit for the financial year	-	-	-	-	6,510,875	6,510,875
Share repurchase during the financial year	(296)	296	-	-	(16,496,140)	(16,496,140)
Shares issued during the financial year	79	-	2,068,658	-	-	2,068,737
At 31 December 2019	551	296	38,754,171	-	278,214	39,033,232
Loss for the financial year	-	-	-	-	(1,332,628)	(1,332,628)
Recognition of equity component of convertible loan notes	-	-	-	974,515	-	974,515
Shares issued during the financial year	149	-	1,700,276	-	-	1,700,425
At 31 December 2020	700	296	40,454,447	974,515	(1,054,414)	40,375,544

The notes on pages 21 to 51 form part of these financial statements.

ARYZA HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Notes	2020	2019
		£	£
Net cash inflow from operating activities	25	3,923,200	26,682,409
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(516,398)	(298,028)
Payments to acquire intangible fixed assets		(2,688,279)	(4,827,801)
Acquisition of subsidiary (net cash flow)		(10,945,516)	(11,361,004)
Interest received		-	16
Net cash outflows from investing activities		(14,150,193)	(16,486,817)
Cash flows from financing activities			
Net outflow from share transactions		-	(14,427,403)
Proceeds on issue of shares		1,700,425	-
Proceeds on issue of convertible loan notes		10,931,785	-
New bank loans raised		-	8,377,682
Repayment of borrowings		(718,119)	(2,343,072)
Net cash inflows/(outflows) from financing activities		11,914,091	(8,392,793)
Net increase in cash and cash equivalents		1,687,098	1,802,799
Cash and cash equivalents at beginning of financial year		1,515,857	(62,157)
Effect of foreign exchange rate changes		199,499	(224,785)
Cash and cash equivalents at end of financial year		3,402,454	1,515,857
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		3,402,454	1,515,857
Cash equivalents		-	-
Cash and cash equivalents		3,402,454	1,515,857

The notes on pages 21 to 51 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Aryza Holdings Limited is a company limited by shares incorporated in United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the strategic report and Directors' report on pages 3 to 8.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements:

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Aryza Holdings Limited is considered to be pound (£) sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pound sterling. Foreign operations are included in accordance with the policies set out below.

Aryza Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

For the year ending 31 December 2020 the following subsidiaries of the Company were entitled to certain exemptions under Section 479A of the Companies Act 2006 relating to subsidiary companies.

<i>UK Subsidiary Name</i>	<i>Companies Registration Office Number</i>
Aryza UK Services Limited	10810071
Samepage Group Limited	09539989
My Money Options Limited	11855792

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

Basis of Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The Group earned a consolidated profit before tax of £527,529 for the financial year (2019 as restated: profit of £1,887,510) after providing for goodwill amortisation, depreciation, interest and taxation. The Group has net current assets of £4,965,113 (2019 as restated: £829,665) and net assets of £27,564,904 (2019 as restated: £25,290,190) as at the year-end date. The Group is profitable subsequent to the year-end, based on unaudited management accounts prepared.

Subsequent to the year end, the Group refinanced its loan facilities. As part of this refinancing, on 16th August 2021, the Group was released from all charges with Allied Irish Bank. The Group is subject to new charges as Guarantor to the new loan facility agreement with Permira Credit Solutions signed on the 26th July 2021.

The Directors are confident that based on their future forecasts, the Group and Company will have sufficient funds to meet their financial obligations as they fall due for the foreseeable future being a period of at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

2. ACCOUNTING POLICIES (CONTINUED)

Turnover

Turnover represents sales to the customers and excludes Value Added Tax. Activation fees are recognised once an Individual Voluntary Arrangement ("IVA") case is accepted by the customer as there is no further obligation due from the Group after this point. After the customer has confirmed acceptance of the IVA the licence fees are recognised on a straight line basis over the life of an active IVA. Where the customer has not been invoiced at the financial year end date and service delivery has occurred prior to the financial year end turnover is recorded as accrued income. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred revenue and included as part of creditors due within one year.

Intangible fixed assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 10 years. Provision is made for any impairment.

Negative goodwill is similarly included in the statement of financial position and is credited to the income statement in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the income statement in the periods expected to benefit.

Intangible Assets – Research and Development

Research expenditure is recognised as an expense when incurred. Development expenditure is also recognised as an expense, except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Company is expected to benefit. As these assets have not yet been brought into use the Directors have not assessed the useful life of the intangible assets.

An impairment review is performed whenever there is an indication that the recoverable value is below the carrying value of the intangible asset. If the impairment review indicates that the asset is impaired, an allowance is made for impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

Intangible Assets – general

Intangible fixed assets are stated at cost or at valuation, less accumulated amortisation. The charge to amortisation is calculated to write off the original cost, less their estimated residual value, over their expected useful lives as follows:

Software	20% Straight line
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The carrying values of intangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of property, plant and equipment, less their estimated residual value, over their expected useful lives as follows:

Office equipment	20% Straight line
Fixtures and fittings	20% Straight line
Motor Vehicle	25% Straight line
IT Equipment	25% Straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2: ACCOUNTING POLICIES (CONTINUED)

Impairment of assets (continued)

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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 Group after deducting all of its liabilities.

(i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

2. ACCOUNTING POLICIES (CONTINUED)

(ii) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Financial assets

In the Company statement of financial position, investments in subsidiaries are measured at cost less impairment.

(iv) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(v) Convertible loan notes

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. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. 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 and is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity. Where the financial liability component meets the criteria in (i) above, the finance costs of the financial liability are recognised over the term of the debt using the effective interest method. If those criteria are not met, the financial liability component is measured at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Statement of Financial Position bank overdrafts are shown within creditors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

Employee benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

Share capital of the Company

(i) Ordinary share capital

The ordinary share capital of the Company is presented as equity.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Statement of Comprehensive Income.

Leases

The Group as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the income statement over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

Government Grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

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

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Key source of estimation uncertainty

(a) Provision for doubtful debts

The Group makes an estimate of the recoverable value of trade and other debtors. The Group uses estimates based on historical experience in determining the level of debts, which the Group believes will not be collected. These estimates include such factors as the current credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant reduction in the level of customers that default on payments or other significant improvements that resulted in a reduction in the level of bad debt provision would have a positive impact of the operating results. The level of provision required is reviewed on an on-going basis.

(b) Deferred Consideration

The determination of the final amount payable is based on management estimates. Payments of such consideration is usually contingent on the future performance of the acquired company. Management's estimate is based on forecasts and projections which are reviewed on an on-going basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Significant accountancy judgments

(a) Capitalised development costs

Distinguishing the research and development phase of new customised software projects and determining whether the recognition requirements for the capitalisation of development costs, as set out in section 27 of FRS102, have been met requires judgement. Subsequent to this initial capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

4. TURNOVER

The whole of the Group's turnover is derived from the principal activity of the development and sale of software applications.

An analysis of the Group's turnover by geographical market is set out below:

	2020 £	2019 £
United Kingdom	17,329,434	18,756,121
Republic of Ireland	255,586	639,433
Canada	1,791,279	1,841,078
New Zealand	14,021	13,542
	<u>19,390,320</u>	<u>21,250,174</u>

5. OPERATING PROFIT

Group:

	2020 £	2019 £
Operating profit is stated after charging/(crediting):		
Amortisation of intangible fixed assets (Note 12)	6,492,354	5,325,769
Depreciation of tangible fixed assets (Note 13)	184,218	114,068
Loss on foreign currencies	37,775	236,076
Operating lease rentals	450,252	218,573
Research & Development Costs (not capitalised)	252,377	469,627
Government grant received	(261,210)	(64,834)
	<u></u>	<u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

5. OPERATING PROFIT (CONTINUED)

The analysis of the auditor's remuneration is as follows:

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	95,117	93,044
Fees payable to the Company's auditor and its associates for other services to the Group		
The audit of the Company's subsidiaries	15,853	12,289
Total audit fees	110,970	105,333
Taxation compliance services	30,611	81,148
Other taxation advisory services	42,791	5,267
Corporate finance services	-	19,969
Total non-audit fees	73,402	106,384

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. EMPLOYEES AND REMUNERATION

Group:

Number of employees

The average number of persons employed (including executive directors) during the financial year was as follows:

	2020 Number	2019 Number
Employees	104	75
Directors	6	5
	<u>110</u>	<u>80</u>

The staff costs comprise

	2020 £	2019 £
Wages and salaries	5,111,332	4,034,345
Social security costs	513,324	407,044
Pension costs	186,614	130,862
	<u>5,811,270</u>	<u>4,572,251</u>

Analysed as follows:

	2020 £	2019 £
Capitalised into assets	765,817	462,631
Expensed in financial year	5,045,453	4,109,620
	<u>5,811,270</u>	<u>4,572,251</u>

7. EMPLOYEE BENEFITS

The Group operates a defined contribution retirement benefit scheme for all qualifying employees. The total expense charged to the income statement in the financial year ended 31 December 2020 was £186,614 (2019: £130,862). An amount of £23,066 (2019: £19,710) was outstanding as at 31 December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. DIRECTORS' REMUNERATION AND TRANSACTIONS

	2020 £	2019 £
<i>Directors' remuneration</i>		
Emoluments	822,705	569,662
Company contributions to defined contribution pension schemes	28,351	37,525
	<u>851,057</u>	<u>607,187</u>
<i>Remuneration of the highest paid Director:</i>		
Emoluments	264,562	250,164
Company contributions to defined contribution pension schemes	15,055	25,016
	<u>279,617</u>	<u>275,181</u>
<i>Directors' advances, credits and guarantees</i>		

There were no other transactions with directors' during the financial year, other related party transactions are disclosed in Note 27.

9. FINANCE COSTS (NET)

	2020 £	2019 £
Interest payable on bank loans and overdrafts	948,200	632,659
Arrangement fee amortised	147,357	133,102
Interest receivable	(654)	(16)
	<u>1,094,903</u>	<u>765,745</u>

ARYZA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. TAX ON PROFIT

Group

	2020	2019
	£	Restated £
Analysis of charge in the financial year		
Current tax:		
UK corporation tax at 19%	-	-
Foreign tax	586,281	797,508
Total current tax	586,281	797,508
Deferred tax:		
Origination and reversal of timing differences	476,462	-
Total deferred tax	476,462	-
Total tax on profit on ordinary activities	1,062,743	797,508

Factors affecting tax charge for the financial year:

The tax assessed for the financial year differs from the standard rate of corporation tax in the United Kingdom at 19%. The differences are explained below:

Profit before tax	527,529	1,887,510
Profit before tax multiplied by the standard rate of corporation tax in the United Kingdom at 19% (2019: 19%)	100,231	358,627
Effects of:		
Expenses not deductible for tax purposes	833,339	876,483
Depreciation in excess of capital allowances	185,525	44,888
Losses carried forward	264,459	223,975
Losses forward used	(17,002)	-
Lower rates on overseas earnings	(190,930)	(379,537)
Other timing differences	(235,796)	(233,104)
R&D tax credit	(353,545)	(122,100)
Adjustments to tax charge in respect of previous periods	-	28,276
Total tax charge for the financial year	586,281	797,508

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. TAX ON PROFIT (CONTINUED)

The Group has unrecognised deferred tax assets amounting to £543,632 (2019: £297,869) arising from losses carried forward and timing differences on recognising taxable benefits on certain tangible and intangible fixed assets. This has not been recognised due to uncertainty in the timing of recovering such assets against taxable profits.

11. (LOSS)/PROFIT ATTRIBUTABLE TO THE COMPANY

As permitted by Section 408 of the Companies Act 2006, no separate income statement or statement of comprehensive income is presented in respect of the parent Company. The (loss)/profit attributable to the Company is disclosed in the footnote to the Company's statement of financial position.

12. INTANGIBLE FIXED ASSETS

Group	Goodwill	Software	Development Costs	Other Intangible	Total
	£	£	£	£	£
Cost					
At 1 January 2020	49,468,650	482,952	2,153,365	3,200,000	55,304,967
Additions on acquisition (Note 15)	11,834,118	-	-	-	11,834,118
Additions	-	-	2,688,279	-	2,688,279
Translation adjustment	-	30,059	106,129	-	136,188
At 31 December 2020	61,302,768	513,011	4,947,773	3,200,000	69,963,552
Accumulated Amortisation					
At 1 January 2020	9,709,760	254,892	233,596	-	10,198,248
Charge for the financial year	4,976,045	172,228	704,081	640,000	6,492,354
Translation adjustment	-	14,641	8,892	-	23,533
At 31 December 2020	14,685,805	441,761	946,569	640,000	16,714,135
Carrying amount					
At 31 December 2020	46,616,963	71,250	4,001,204	2,560,000	53,249,417
At 31 December 2019	39,758,890	228,060	1,919,769	3,200,000	45,106,719

Development costs have been capitalised in accordance with the requirements of FRS102 and are therefore not treated, for dividend purposes, as a realised loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13. TANGIBLE FIXED ASSETS

Group	Fixtures and Fittings £	Office Equipment £	IT Equipment £	Motor and Vehicle £	Total £
Cost					
At 1 January 2020	259,583	381,764	-	-	641,347
Additions on acquisition (Note 15)	228,952	552,109	2,355,258	243,579	3,379,898
Additions	367,625	148,773	-	-	516,398
Translation adjustment	6,648	8,504	-	-	15,152
At 31 December 2020	862,808	1,091,150	2,355,258	243,579	4,552,795
Accumulated Depreciation					
At 1 January 2020	110,352	159,528	-	-	269,880
Additions on acquisition (Note 15)	223,314	537,582	1,317,710	117,270	2,195,876
Charge for the financial year	93,086	91,132	-	-	184,218
Translation adjustment	5,720	31,171	-	-	36,891
At 31 December 2020	432,472	819,413	1,317,710	117,270	2,686,865
Carrying amount					
At 31 December 2020	430,336	271,737	1,037,548	126,309	1,865,930
At 31 December 2019	149,231	222,236	-	-	371,467

Assets held under finance leases

The Group has leased IT equipment on hire purchase contracts which are considered to meet the definition of finance leases and are accounted for accordingly. The cost of finance leases which were included within IT equipment and motor & vehicle amounted to £1,064,626 (2019: £Nil) and £62,658 (2019: £Nil) respectively with a net carrying amount of £347,055 (2019: £Nil) and £49,604 (2019: £Nil) respectively.

ARYZA HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

14. FINANCIAL ASSETS	2020	2019
	£	£
Company		
At 1 January 2020	59,378,021	58,387,901
Subsidiaries acquired during the financial Year (Note 15)	12,912,154	990,120
	72,290,175	59,378,021

The parent Company and the Group have investments in the following subsidiary undertakings:

Subsidiary Name	Location	Holding	%
Aryza Ireland Limited	Republic of Ireland	Ordinary Shares	100
Aryza UK Limited*	Republic of Ireland	Ordinary Shares	100
Aryza UK Services Limited*	United Kingdom	Ordinary Shares	100
Vision Blue Services (Canada) Limited	Canada	Ordinary Shares	100
Uberbase.com Inc	Canada	Ordinary Shares	100
Aryza Services Mauritius Limited	Mauritius	Ordinary Shares	100
Samepage Group Limited	United Kingdom	Ordinary Shares	100
My Money Options Limited	United Kingdom	Ordinary Shares	100
Anchor Computer Systems Group Ltd	United Kingdom	Ordinary Shares	100
Anchor Computer Systems (Holdings) Ltd*	United Kingdom	Ordinary Shares	100
Anchor Computed Systems Limited*	United Kingdom	Ordinary Shares	100
Databax Limited*	United Kingdom	Ordinary Shares	100

*Indirect shareholding

All subsidiary undertakings have been included in the consolidation. See Note 15 for details on acquisitions during the financial year. The directors are of the opinion that the recoverable value of these investments is at least equal to their carrying value at the year-end date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. ACQUISITION OF SUBSIDIARIES

On the 23rd of December 2020, the Company acquired 100% of the issued share capital of Anchor Computer Systems Group Ltd and its subsidiaries (see note 14), a group whose primary activities are the development and sale of software applications, for consideration of £10,601,975 and deferred consideration of £2,000,000. Other costs directly attributable to the acquisition amounted to £310,179. The fair value of the total consideration is £12,912,154.

The acquisition in the current financial year has been accounted for under the acquisition method. The following table sets the book value of the identifiable assets and liabilities acquired in the current year and their fair value to the Group:

	Book value £	Fair value to the Group £
Fixed Assets		
Tangible fixed assets	1,184,022	1,184,022
Current Assets		
Debtors	1,150,290	1,150,290
Cash	416,717	416,717
Total Assets	2,751,029	2,751,029
Creditors	(1,672,993)	(1,672,993)
Total Liabilities	(1,672,993)	(1,672,993)
Goodwill (Note 12)		11,834,118
		12,912,154
Satisfied by:		31/12/2020 £
Cash consideration		10,601,975
Deferred consideration (Note 20)		2,000,000
Other costs directly attributable to the acquisition		310,179
		12,912,154

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

In the financial year ended 31 December 2020, turnover of £124,884 and profit of £48,168 in relation to Anchor Systems Group Limited was included in the consolidated income statement since the acquisition date. Fair value amounts are provisional and in accordance with FRS102, Section 19.19, may be revised over the allowed 12 month period post acquisition.

16. DEBTORS

Group	2020	2019
	£	Restated £
Trade debtors	5,358,920	5,450,796
Amounts owed by Shareholders (Note 27)	-	415,000
Corporation taxation receivable	153,742	328,035
Prepayments	658,495	265,231
Other receivables	2,057,715	1,030,373
Accrued income	4,236,758	2,940,043
VAT refundable	205,003	116,331
	12,670,633	10,545,809

Company	2020	2019
	£	£
Amounts owed by Group companies	9,263,883	6,983,969
Prepayments	55,654	44,197
Other receivables	282,400	-
	9,601,937	7,028,166

The Directors consider that the carrying value of debtors approximate fair value and are satisfied that the carrying value is receivable and fully expected to be realised in the normal course of business.

Amounts owed by Group companies are unsecured, interest free and repayable on demand.

ARYZA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

17. CREDITORS: Amounts falling due within one year

Group	2020	2019
	£	Restated £
Trade creditors	1,015,049	3,103,836
Bank loans (Note 18)	2,694,129	2,706,591
Corporation taxation payable	437,865	92,397
Other payables	20,796	108,440
Accruals	2,207,287	1,159,196
National insurance & pension payable	558,086	168,676
VAT payable	482,112	5,791
Deferred revenue	3,407,324	3,887,074
Obligations under hire purchase contracts	285,326	-
	11,107,974	11,232,001
Company	2020	2019
	£	£
Trade creditors	11,760	41,433
Bank loans (Note 18)	2,694,129	2,706,591
Accruals	655,970	33,629
Amounts owed to Group companies	7,244,454	4,630,586
	10,606,313	7,412,239

The Directors consider that the carrying amount of creditors approximate fair value.

ARYZA HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. CREDITORS: Amounts falling due after more than one year

Group	2020	2019
	£	£
Bank loans	18,858,910	19,417,210
Convertible loan note (Note 19)	9,957,270	-
Obligations under hire purchase contracts	72,563	-
	28,888,743	19,417,210
Company	2020	2019
	£	£
Bank loans	18,858,910	19,417,210
Convertible loan note (Note 19)	9,957,270	-
	28,816,180	19,417,210
Group and Company	2020	2019
	£	£
Facility A – repayable by instalments	6,500,000	7,000,000
Facility B – fixed term	7,500,000	7,500,000
Facility C – fixed term	7,942,858	8,156,928
Arrangement fees capitalised	(389,819)	(533,127)
	21,553,039	22,123,801

At the year end date, the bank loans are secured by way of a fixed charge over all land and intellectual property owned by the Company and the Group at any time. A floating charge is also provided over all remaining assets and undertakings of the Company and its subsidiaries. Interest is payable at a fixed rate of between 0.834% and 1.199% plus an applicable margin to the bank on the principal amount. Subsequent to the year end, the Group refinanced its bank debt with another lender, see note 30 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. CREDITORS: Amounts falling due after more than one year (continued)

	2020 £	2019 £
Bank loans are repayable as follows:		
Between one and five years	18,858,910	19,417,210
After five years	-	-
	<u>18,858,910</u>	<u>19,417,210</u>
On demand or within one year	2,694,129	2,706,591
	<u>21,553,039</u>	<u>22,123,801</u>
	<u><u>21,553,039</u></u>	<u><u>22,123,801</u></u>
Convertible loan notes are repayable as follows:		
Between one and five years (note 19)	9,957,270	-
After five years	-	-
	<u>9,957,270</u>	<u>-</u>
On demand or within one year	-	-
	<u>9,957,270</u>	<u>-</u>
	<u><u>9,957,270</u></u>	<u><u>-</u></u>
Obligations under hire purchase contracts are repayable as follows:		
Between one and five years	72,563	-
After five years	-	-
	<u>72,563</u>	<u>-</u>
On demand or within one year	285,326	-
	<u>357,889</u>	<u>-</u>
	<u><u>357,889</u></u>	<u><u>-</u></u>

19. CONVERTIBLE LOAN NOTE

The company issued an unsecured interest free convertible loan note on 23 December 2020.

The loan note is convertible into A ordinary shares of the company at any time between the date of issue of the notes and their settlement date. If the notes have not been converted, they will be redeemed on 17 October 2023 at the principal amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

19. CONVERTIBLE LOAN NOTE (CONTINUED)

The net proceeds received from the issue of the convertible loan notes have been split between the liability element and an equity component as follows:

	2020 £	2019 £
Nominal value of convertible loan note issued		
Equity component	974,515	-
Liability component	9,957,270	-
	<u>10,931,725</u>	<u>-</u>
Liability component at 31 December 2020 falling due within one year	-	-
	<u>-</u>	<u>-</u>

The liability component has been classified as basic and is consequently measured at amortised cost. The implicit interest rate used in the above was 3.3%. There was no interest charged for the financial year.

On 17th September 2021, the convertible loan note in issue at the financial year end, which amounted to £10,931,785, was converted to 8,017 "A" shares.

20. PROVISIONS FOR LIABILITIES

Group

	2020 £	2019 £
Deferred consideration (a)	3,150,351	1,600,451
Deferred tax liabilities (b)	476,462	-
	<u>3,626,813</u>	<u>1,600,451</u>

ARYZA HOLDINGS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

20. PROVISIONS FOR LIABILITIES (CONTINUED)

(a) Deferred Consideration

Group and Company

	2020 £	2019 £
On 1 January	1,600,451	12,019,792
Acquisition of subsidiary undertaking (Note 15)	2,000,000	450,000
Payments made during the financial year	-	(10,869,341)
Amount converted to shares during the financial year	(450,100)	-
	<u>3,150,351</u>	<u>1,600,451</u>

Deferred consideration – Anchor Computer Systems Group Ltd

In the current year, the provision for deferred consideration created is in respect of the acquisition of Anchor Computer Systems Group Ltd, a company incorporated in England & Wales, which is an estimate and is payable upon the acquired company achieving certain revenue targets. Deferred consideration is not discounted on the basis that any discount would not be material to the financial statements.

Deferred consideration – Samepage Group Ltd

In the prior year, the provision for deferred consideration created is in respect of the acquisition of Samepage Group Ltd, a company incorporated in England & Wales, which is an estimate and is payable upon the acquired company achieving certain revenue targets. Deferred consideration is not discounted on the basis that any discount would not be material to the financial statements.

On 20 August 2020, the Company entered into an agreement to amend the deferred consideration payable to the sellers of Samepage Group Limited from cash consideration to the issue of A shares in the Company to the amount of £450,100.

(b) Deferred Taxation

Group

Deferred tax is provided as follows:

	2020 £	2019 £
Accelerated capital allowances	476,462	-
	<u>476,462</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. FINANCIAL INSTRUMENTS

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

Group

	2020 £	2019 £
Financial assets		
<i>Measured at undiscounted amount receivable</i>		
Trade debtors (Note 16)	5,358,920	5,450,796
Amounts owed by Shareholders (Note 27)	-	415,000
	<u> </u>	<u> </u>
Financial liabilities		
<i>Measured at undiscounted amount payable</i>		
Trade creditors (Note 17)	1,015,049	3,103,836
<i>Measured at amortised cost</i>		
Bank loans (Note 18)	21,553,039	22,123,801
Liability component of convertible loan note (note 19)	9,957,270	-
Obligations under hire purchase contracts (note 18)	357,889	-
	<u> </u>	<u> </u>

Company

Financial assets		
<i>Measured at cost less impairment</i>		
Investments (Note 14)	72,290,175	59,378,021
<i>Measured at undiscounted amount receivable</i>		
Amounts owed by Group companies (Note 16)	9,263,883	6,983,969
	<u> </u>	<u> </u>
Financial liabilities		
<i>Measured at amortised cost</i>		
Bank loans (Note 18)	21,553,039	22,123,801
Liability component of convertible loan note (Note 19)	9,957,270	-
	<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY	2020	2019
	£	£
Allotted, called-up and fully paid:		
43,401 'A' Ordinary shares of £0.01 each (2019: 39,050 of £0.01 each)	435	391
7,000 'B' Ordinary shares of £0.01 each	70	70
19,500 'C' Ordinary shares of £0.01 each (2019: 9,000 of £0.01 each)	195	90
	700	551

During the financial year, the Company issued 4,351 'A' Ordinary shares for consideration of £1,700,320 (including shares issued to the Samepage directors in lieu of deferred consideration, see note 20) and 10,500 'C' Ordinary shares for consideration of £105.

The A Ordinary shares, B Ordinary shares and C Ordinary shares have a right to attend or vote at general meetings and do not carry a right to a fixed income.

All shareholders are entitled to dividends in accordance with the Company's Articles of Association.

23. SHARE PREMIUM	2020	2019
	£	£
On 1 January 2020	38,754,171	36,685,513
Shares issued during the financial year	1,700,276	2,068,658
At 31 December 2020	40,454,447	38,754,171

Share Premium Account represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

During the financial year, the Company issued 4,351 'A' Ordinary shares for consideration of £1,700,320.

24. RESERVES

Profit and Loss Account

Profit and loss account reserve represents accumulated retained earnings.

Translation Reserve

The translation reserve relates to the translation of the net assets of the Group's foreign operations, which relation to subsidiaries only, from their functional currency into the parent's functional currency, being sterling.

Capital Redemption Reserve

The capital redemption reserve relates to the share buyback of 29,568 'A' Ordinary shares.

Equity Reserve

The equity reserve represents the equity component of convertible debt instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

25. CASH FLOW STATEMENT

(i) Reconciliation of operating profit to cash generated by operations:

	2020 £	2019 Restated £
Operating profit for the financial year	1,622,432	2,653,255
Adjustments for:		
Amortisation of intangible assets (Note 12)	6,492,354	5,325,769
Depreciation on tangible assets (Note 13)	184,218	114,068
Operating cash flow before movement in working capital	8,299,004	8,093,092
Movements in working capital:		
(Increase)/decrease in debtors	(1,148,828)	13,215,216
(Decrease)/increase in creditors	(2,212,910)	6,818,268
Cash generated by operations	4,937,266	28,126,576
Tax paid	(66,520)	(811,508)
Interest paid	(947,546)	(632,659)
Net cash inflow from operating activities	3,923,200	26,682,409

(ii) Net debt reconciliation

	1 January 2020 £	Cash flows (i) £	Acquisitions £	Changes in exchange rates £	Other non-cash changes (ii) £	31 December 2020 £
Cash at bank and in hand	1,515,857	1,270,381	416,717	199,499	-	3,402,454
Bank loans	(22,123,801)	718,119	-	-	(147,357)	(21,553,039)
Net debt	(20,607,944)	1,988,500	416,717	199,499	(147,357)	(18,150,585)

- (i) The cash flows from other borrowings make up the net amount of proceeds from borrowings and repayment of borrowings in the statement of cash flows.
- (ii) Non-cash transactions relate to arrangement fees which were capitalised on initial recognition of the bank loans and are amortised into the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26. COMMITMENTS

(i) Operating lease commitments

Group

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Within one year	488,650	195,713
In the second to fifth years inclusive	1,347,400	1,073,693
After five years	435,666	1,660,163
	<u>2,271,716</u>	<u>2,929,569</u>

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for terms of between three and ten years and rentals are fixed for that period.

(ii) Capital commitments

The Group and Company had no material capital commitments at the financial year end 31 December 2020.

(iii) Banking guarantees and charges

The Company and its subsidiaries (the 'Group') provided to its bankers, Allied Irish Bank plc, a fixed charge over all land and intellectual property owned by the Group at any time. A floating charge is also provided over all remaining assets and undertakings of the Company and its subsidiaries.

The Group has entered into banking guarantees in the normal course of business. The amount of this guarantee at the statement of financial position date was £50,000.

Subsequent to the year end, the Group refinanced its loan facilities. As part of this refinancing, on 16th August 2021, the Group was released from all charges with Allied Irish Bank. The Group is subject to new charges as Guarantor to the new loan facility agreement with Permira Credit Solutions signed on the 26th July 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. RELATED PARTY TRANSACTIONS

(i) Transactions and balances with Group companies

The Company have availed of the exemption under FRS 102 in relation to the disclosure of transactions with Group companies, which are eliminated on consolidation.

(ii) Key management personnel

Key management personnel during the financial year are deemed to be the Directors and certain executive employees. The total compensation expense, comprising solely of short-term benefits, in respect of key management personnel is £1,432,361 (2019: £758,694).

(iii) Directors' transactions

During the financial year, BS2 Limited invoiced the equivalent of £42,247 (2019: £33,334) in relation to the provision of software development services. Colin Brown a Director of Aryza Ireland Limited is also a Director and shareholder of BS2 Limited. £5,442 was outstanding at the financial year end date (2019: £2,604).

During the financial year, Pollen Street Capital Limited invoiced the equivalent of £30,000 (2019: £50,000) in relation to the provision of Directors services for James Scott and Michael England. James Scott and Michael England are both Directors of Aryza Holdings Limited and are both also Directors of Pollen Street Capital Limited. No amounts were outstanding at the financial year end date (2019: £Nil).

During the financial year, Aryza Ireland Limited issued invoices to Pollen Street Capital Limited for the amount of £Nil (2019: £415,000) for development services provided. James Scott & Michael England are both Directors of Aryza Ireland Limited and are also a Directors of Pollen Street Capital Limited. £Nil (2019: £415,000) was outstanding at year end.

Other transactions with directors are disclosed in Note 8.

(iv) Amounts owed by Shareholders

See (iii) above for transaction with Pollen Street Capital Limited during the year. During the financial year, Aryza Holdings Limited issued an unsecured interest free convertible loan note for the amount of £10,931,725 (2019: £Nil) to PSC Nominee 3 Limited. PSC Nominee 3 Limited is a subsidiary of Pollen Street Capital Holdings Limited and holds shares on behalf of PSC III G, L.P. See note 19 for further details.

28. PARENT AND ULTIMATE CONTROLLING PARTY

The ultimate controllers of this Company at the statement of financial position date were PSC III G, L.P. a fund which is managed by Pollen Street Capital Limited, a company incorporated in the United Kingdom. The address of Pollen Street Capital Limited is 11-12 Hanover Square, London, England, W1S 1JJ.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29. PRIOR YEAR ADJUSTMENT

In the normal course of business, the Group entered into revised terms with certain suppliers. Whilst the Group was renegotiating terms with its suppliers, an error was identified in relation to the timing of when costs were accounted for in relation to a small number of suppliers. As a consequence, cost of sales and accruals were understated. The error was corrected by restating each of the affected financial statement line items for the prior years. The impact of the adjustment in prior years was as follows:

Impact on Equity (increase/(decrease) in equity:

	2019 £	2018 £
Accruals and deferred income	(435,022)	(319,548)
Corporation tax	54,378	39,944
	<u>(380,644)</u>	<u>(279,604)</u>

Impact on income statement:

	2019 £
Cost of sales	(435,022)
Income tax expense	54,378
	<u>(380,644)</u>

30. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 15 January 2021, the Company acquired a 19% share of B2C Finance Limited, a company incorporated in England and Wales and on 20 January 2021, the Company acquired HubSolv Limited, a company incorporated in Scotland. The value of the acquisitions has not been provided on the basis that it is commercially sensitive information.

On 26 July 2021, pursuant to company law requirements, the Company completed a share premium reduction of £40,000,000 by means of a summary approval procedure, transferring this amount to its distributable reserves.

As part of the refinancing of its loan facilities, on 26 July 2021, the Company signed a new loan facility agreement with Permira Credit Solutions. On 16 August 2021, the Company was released from all charges previously held with Allied Irish Bank.

On 10 September 2021, the Company acquired Insol 6 Pty Limited, a company incorporated in Western Australia. The value of the acquisition has not been provided on the basis that it is commercially sensitive information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

30. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE (CONTINUED)

On 17th September 2021, the convertible loan note in issue at the financial year end, which amounted to £10,931,785, was converted to 8,017 "A" shares.

On 27th September 2021, the Company declared an interim dividend amounting to £19,464,311 to be paid to the "A" Shareholders.

There have been no other significant events affecting the Group and Company since the financial year end.