

REGISTERED NUMBER: 01500217 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
ATEX MEDIA LIMITED**

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ATEX MEDIA LIMITED (REGISTERED NUMBER: 01500217)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Company Information	1
Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	5
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

ATEX MEDIA LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTOR:

D Lee

REGISTERED OFFICE:

Hanover House
Queen Charlotte Street
Bristol
BS1 4EX

REGISTERED NUMBER:

01500217 (England and Wales)

AUDITORS:

Haines Watts
Chartered Accountants and Statutory Auditors
Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The director presents his strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS

The Company results are in line with shareholder expectations. Turnover has decreased from £3.4m in 2019 to £3.2m in 2020. The market continues to be price sensitive and challenging, which has led to a decrease in gross margin from 51% to 48%.

The Company prides itself in exceptional products and customer services, strengthened by its wider group. The directors are committed to grow the company and wider group through organic growth and acquisitions.

The Directors have assessed the impact of the viral epidemic that broke out at the beginning of 2020 and expanded rapidly on the company's market environment, employees and business. The viral epidemic has so far not had a significant impact on the demand for the company's products and services. The company's board and management are closely monitoring the development of the coronavirus situation and updating their assessment of the epidemic effects as the situation progresses.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company maintains financing support from other group entities and as such, is exposed to interest rate risk. However, the extent of group financing is such that the impact of changes to interest rates is considered to be minimal, and certainly within manageable limits.

An element of the Company's activities are exposed to foreign currencies, and thus the Company is exposed to exchange rate risk on those activities which are subject to general economic factors. The Company has no measures in place to mitigate the risk of currency fluctuations other than maintaining currency bank accounts, which provides adequate protection.

In addition to the above, there is some exposure to credit risk, and in this regard, the Company carries out appropriate credit checks on potential customers before sales are made, and continually monitors and investigates the ageing of debts.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company considers turnover and gross profit margin to be the key indicators of its performance.

ON BEHALF OF THE BOARD:



.....
D Lee - Director

Date: September 28, 2021

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2020**

The director presents his report with the financial statements of the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was the selling and installation of software for the media industry, principally newspapers, magazines and online publications.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

FUTURE DEVELOPMENTS

There are no particular matters that the directors feel will significantly alter the ongoing development of the business in the short and medium term. The Company aims to continue its policy of providing both exceptional level of service and excellent product quality, in order to maintain existing customer relationships, and to allow it to exploit new opportunities that arise.

DIRECTORS

D Lee has held office during the whole of the period from 1 January 2020 to the date of this report.

Other changes in directors holding office are as follows:

J E Billowits - resigned 30 September 2020

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

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

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ATEX MEDIA LIMITED (REGISTERED NUMBER: 01500217)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2020**

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
D Lee - Director

Date: September 28, 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ATEX MEDIA LIMITED

Opinion

We have audited the financial statements of AteX Media Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the accounting policy note on Going Concern.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ATEX MEDIA LIMITED

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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ATEX MEDIA LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: FRS102 - the Financial Reporting Standard applicable in the UK & The Republic of Ireland, the companies Act 2006 and relevant tax compliance regulations in the UK.

We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making enquiries of management.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where management considered there was susceptibility to fraud. Audit procedures performed by the audit team included:

- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Identifying and testing journal entries, with a focus on entries made with unusual accounting combinations;
- Confirming with management whether they have knowledge of any actual, suspected or illegal fraud;
- Evaluating whether there was evidence of bias by management that represents a risk of material misstatement due to fraud.

These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ATEX MEDIA LIMITED**

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 a Report of the Auditors 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.

Haines Watts

Martin Thomas FCCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditors
Advantage
87 Castle Street
Reading
Berkshire
RG1 7SN

Date: *28/09/2021*

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	31/12/20 £	31/12/19 £
TURNOVER	4	3,190,431	3,437,951
Cost of sales		1,679,712	1,661,663
GROSS PROFIT		1,510,719	1,776,288
Distribution costs		134,381	336,526
Administrative expenses		713,682	888,468
		848,063	1,224,994
		662,656	551,294
Other operating income		206,722	172,562
OPERATING PROFIT	6	869,378	723,856
Income from shares in group undertakings		-	1,166,101
		869,378	1,889,957
Interest payable and similar expenses	7	-	25
PROFIT BEFORE TAXATION		869,378	1,889,932
Tax on profit	8	(101,312)	17,270
PROFIT FOR THE FINANCIAL YEAR		970,690	1,872,662
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		970,690	1,872,662

The notes form part of these financial statements

ATEX MEDIA LIMITED (REGISTERED NUMBER: 01500217)

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	31/12/20 £	31/12/19 £
FIXED ASSETS			
Tangible assets	9	7,249	9,991
Investments	10	2,861,418	2,861,418
		<u>2,868,667</u>	<u>2,871,409</u>
CURRENT ASSETS			
Debtors	11	7,591,802	5,189,641
Cash at bank		82,902	295,426
		<u>7,674,704</u>	<u>5,485,067</u>
CREDITORS			
Amounts falling due within one year	12	6,042,927	4,904,201
NET CURRENT ASSETS		<u>1,631,777</u>	<u>580,866</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,500,444</u>	<u>3,452,275</u>
PROVISIONS FOR LIABILITIES	13	<u>1,476,118</u>	<u>1,398,639</u>
NET ASSETS		<u><u>3,024,326</u></u>	<u><u>2,053,636</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	1,260,004	1,260,004
Capital contribution	15	2,838,620	2,838,620
Retained earnings	15	(1,074,298)	(2,044,988)
SHAREHOLDERS' FUNDS		<u><u>3,024,326</u></u>	<u><u>2,053,636</u></u>

The financial statements were approved and authorised for issue by the director and authorised for issue on 28/09/2021 and were signed by:



.....
D Lee - Director

The notes form part of these financial statements

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

	Called up share capital £	Retained earnings £	Capital contribution £	Total equity £
Balance at 1 January 2019	1,260,001	(3,917,650)	2,838,620	180,971
Changes in equity				
Issue of share capital	3	-	-	3
Total comprehensive income	-	1,872,662	-	1,872,662
Balance at 31 December 2019	<u>1,260,004</u>	<u>(2,044,988)</u>	<u>2,838,620</u>	<u>2,053,636</u>
Changes in equity				
Total comprehensive income	-	970,690	-	970,690
Balance at 31 December 2020	<u><u>1,260,004</u></u>	<u><u>(1,074,298)</u></u>	<u><u>2,838,620</u></u>	<u><u>3,024,326</u></u>

The notes form part of these financial statements

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

1. STATUTORY INFORMATION

Atex Media Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Atex Media Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Constellation Software Inc, these financial statements may be obtained from Gary Jonas Computing Ltd, 8133 Warden Ave. Suite 400, Markham, Ontario, Canada, L6G 1B3.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

- Development costs - 2 years
- Customer contracts - 10 years

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

- Computer equipment - 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

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.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES - continued

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Interest income

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

Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the recoverability of trade debtors, the valuation of accrued costs, and the assessment and impact of potentially onerous contracts.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31/12/20 £	31/12/19 £
Software and product sales	759,841	595,942
Provision of services	2,430,590	2,842,009
	<u>3,190,431</u>	<u>3,437,951</u>

An analysis of turnover by geographical market is given below:

	31/12/20 £	31/12/19 £
United Kingdom	1,721,354	1,835,676
Europe	907,934	825,152
Rest of the world	561,143	777,123
	<u>3,190,431</u>	<u>3,437,951</u>

5. EMPLOYEES AND DIRECTORS

	31/12/20 £	31/12/19 £
Wages and salaries	952,149	1,048,926
Social security costs	106,759	113,636
Other pension costs	140,319	156,766
	<u>1,199,227</u>	<u>1,319,328</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

5. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31/12/20	31/12/19
Technical	10	12
Sales	1	1
Administration	1	1
	<u>12</u>	<u>14</u>

	31/12/20 £	31/12/19 £
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

6. OPERATING PROFIT

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

	31/12/20 £	31/12/19 £
Other operating leases	211	211
Depreciation - owned assets	9,798	11,399
Auditors' remuneration	8,000	8,000
Foreign exchange differences	(23,398)	(151,215)
	<u>(13,389)</u>	<u>(20,605)</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/20 £	31/12/19 £
Interest payable	-	25
	<u>-</u>	<u>25</u>

8. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	31/12/20 £	31/12/19 £
Current tax:		
UK corporation tax	(104,982)	-
Overseas tax	3,670	17,270
	<u>(101,312)</u>	<u>17,270</u>
Tax on profit	<u>(101,312)</u>	<u>17,270</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

8. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/20 £	31/12/19 £
Profit before tax	<u>869,378</u>	<u>1,889,932</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	165,182	359,087
Effects of:		
Income not taxable for tax purposes	-	(221,559)
Utilisation of tax losses	(165,182)	(137,528)
R+D refunds	(104,982)	-
Overseas tax	<u>3,670</u>	<u>17,270</u>
Total tax (credit)/charge	<u>(101,312)</u>	<u>17,270</u>

9. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 January 2020	33,504
Additions	7,057
Disposals	<u>(7,766)</u>
At 31 December 2020	<u>32,795</u>
DEPRECIATION	
At 1 January 2020	23,513
Charge for year	9,798
Eliminated on disposal	<u>(7,765)</u>
At 31 December 2020	<u>25,546</u>
NET BOOK VALUE	
At 31 December 2020	<u>7,249</u>
At 31 December 2019	<u>9,991</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2020 and 31 December 2020	<u>5,881,857</u>
PROVISIONS	
At 1 January 2020 and 31 December 2020	<u>3,020,439</u>
NET BOOK VALUE	
At 31 December 2020	<u>2,861,418</u>
At 31 December 2019	<u>2,861,418</u>

The following were the principal subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Atex Media Command AB	Sweden	Ordinary	100%
Atex Software GmbH	Germany	Ordinary	100%
Atex Holdings Sweden AB	Sweden	Ordinary	100%
Polopoly AB	Sweden	Ordinary	100%
Atex Media Global Srl	Italy	Ordinary	100%
Atex Global Media Sarl	France	Ordinary	100%
Atex Media OY	Finland	Ordinary	100%
Atex PTE Limited	Singapore	Ordinary	100%

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/20 £	31/12/19 £
Trade debtors	665,262	807,924
Amounts owed by group undertakings	6,739,561	3,163,686
Other debtors	2,633	1,171,806
Tax	104,982	-
Prepayments and accrued income	79,364	46,225
	<u>7,591,802</u>	<u>5,189,641</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/20 £	31/12/19 £
Trade creditors	58,224	45,703
Amounts owed to group undertakings	4,349,412	3,243,706
Social security and other taxes	183,818	203,422
Accruals and deferred income	1,451,473	1,411,370
	<u>6,042,927</u>	<u>4,904,201</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

13. PROVISIONS FOR LIABILITIES

	31/12/20 £	31/12/19 £
Other provisions		
Intra-group guarantee	<u>1,476,118</u>	<u>1,398,639</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/20 £	31/12/19 £
126,000	Ordinary	£10	1,260,000	1,260,000
5	Ordinary	\$1	4	4
			<u>1,260,004</u>	<u>1,260,004</u>

15. RESERVES

	Retained earnings £	Capital contribution £	Totals £
At 1 January 2020	(2,044,988)	2,838,620	793,632
Profit for the year	970,690		970,690
At 31 December 2020	<u>(1,074,298)</u>	<u>2,838,620</u>	<u>1,764,322</u>

16. 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 £140,319 (2019 - £156,766).

At the balance sheet date there were outstanding contributions owed to the pension scheme of £23,285 (2019 - £22,966) which have been included in creditors.

17. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with other wholly owned group members.

18. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Constellation Software UK Holdco Limited. The ultimate parent undertaking and controlling party is Constellation Software Inc, a company incorporated in Canada. Copies of its group financial statements are available from 1200-20 Adelaide Street East, Toronto ON M5C 2T6.