

CC TECHNOLOGY LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



CC TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors	B M Armour M Ferry D W Hook K Christian
Secretary	G M Williams Harmer
Company number	SC109363
Registered office	Berkeley House 285 Bath Street GLASGOW G2 4JL
Auditor	Ernst & Young LLP Grosvenor House Grosvenor Square Southampton SO15 2BE

CC TECHNOLOGY LIMITED

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CC TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the Year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of software development and IT services.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B M Armour
M Ferry
D W Hook
K Christian

Statement of disclosure to auditor

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

Fair Review of the business

During 2020 CC Technology continued the transition to the Digital Science portfolio of companies. The level of service revenue from the existing customer base remained high, although the number of new customers secured during the year was less than anticipated. A major programme of product enhancements in response to market expectations was launched, including an update to the CC Grant Tracker user interface.

Covid-19

The directors believe the company is well placed to withstand the economic effects of the Covid-19 pandemic for a number of reasons. The company's products are all electronic, so there will be no supply chain issues, the business model is subscription based, giving security over future revenues due to high rates of recurring revenue. The customer base is predominantly in the field of research which was mostly exempt from government shut downs.

The principal risks from the pandemic were identified as recoverability of assets through customer payments and reduction in revenue. However no significant financial impacts arose in these areas. The directors expect revenue still to grow during the current financial year.

The company has technology solutions sufficient to enable most employees to effectively work remotely, and a business model that lends itself to remote working, enabling business activities to continue while offices are closed and employees are required to isolate and adhere to social distancing requirements.

CC TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern

In their assessment of Going Concern the directors have given consideration to the impacts of the Covid-19 pandemic on the company's financial position. Forecasts have been prepared by the parent company for the Digital Science group considering different scenarios. In all scenarios the Digital Science group continues to generate positive cashflows, given the nature of the business model and customer base, the likelihood of the most pessimistic scenario forecast is considered remote.

Due to the structure of this entity there is reliance on intercompany financing from companies in the Digital Science Group and billing for the day to day operations via central treasury and billings functions, the entity also has intercompany balances that are repayable on demand. As such the directors have obtained a letter of support from the parent company Digital Science & Research Solutions Limited. The directors have performed enquiries and are confident that the parent can provide such support for the period to 31 October 2022. On this basis the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

DocuSigned by:

Daniel Hook

.....F07C1M2FE03B4CT.....

D W Hook

Director

Date: 6 October 2021

CC TECHNOLOGY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

CC TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CC TECHNOLOGY LIMITED

Opinion

We have audited the financial statements of CC Technology Limited for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 10, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 company's ability to continue as a going concern for the period to 31 October 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained with the annual report and financial statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

CC TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CC TECHNOLOGY 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report 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 directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

CC TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CC TECHNOLOGY LIMITED

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to UK Anti-bribery act, Competition laws, The Money Laundering (Amendment) Regulations 2012 and Guidelines issued by GDPR.
- We understood how CC Technology Limited is complying with those frameworks by making enquiries of management, internal legal counsel and those charged with governance. We corroborated our enquiries through our review of board minutes, inspection of the code of conduct and noted that there was no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and assessing revenue as a fraud risk, which could be perpetrated by early recognition of external revenue wherein management may manipulate the license period to increase revenue recognition in the current period. Subscription revenue is earned over a period and has a deferred component. Therefore, management can manipulate the subscription period to recognise more revenue during the year. Our procedures to address this involved:
 - Understanding the revenue recognition process, policy and how it is applied;
 - We developed an expectation of the recognised revenue during the year by considering the prior year deferred revenue and current year issued invoice
 - Reperformed the calculation of revenue and deferred revenue in the current year by using the subscription period from the agreement and invoice
 - Testing of revenue cut-off at either side of the year by selecting a sample of revenue transactions (including credit notes) and testing whether revenue was recorded in the correct period through agreement to third party evidence validating the passing of control to the customer to confirm the period that the revenue relates to and;
 - We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition, investigating journals posted to revenue as part of our journal entry testing work, with focus on transactions recorded at or close to the year-end date.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of the management, internal legal counsel and those charged with governance. We also reviewed the board minutes to identify any non-compliance with 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Ryan Squires (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Southampton
6 October 2021

CC TECHNOLOGY LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	31 December 2020 £	31 December 2019 £
Turnover		2,399,803	2,642,392
Cost of sales		(2,382,757)	(2,577,940)
Gross (loss)/profit		(17,046)	64,452
Administrative expenses		(300,042)	(698,572)
Other operating income		-	-
Operating loss		(282,996)	(634,120)
Interest receivable and similar income		36,685	34,235
Interest paid		(4,503)	-
Loss before taxation		(250,814)	(599,885)
Tax on loss		-	-
Loss for the financial year		(250,814)	(599,885)

CC TECHNOLOGY LIMITED**BALANCE SHEET****FOR THE YEAR ENDED 31 DECEMBER 2020**

		31 December 2020		31 December 2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		27,909		50,065
Current assets					
Work in Progress		-		-	
Debtors	7	2,374,479		1,787,589	
Cash at bank and in hand		129,998		183,445	
		2,504,477		1,971,034	
Creditors: amounts falling due within one year	8	(1,825,232)		(1,163,223)	
Net current assets			679,245		807,811
Total assets less current liabilities			707,154		857,876
Creditors: amounts falling due after one year	8		(200,207)		(100,115)
Net assets			506,947		757,761
Capital and reserves					
Called up share capital	9		1,000		1,000
Profit and loss reserves			505,947		756,761
Total equity			506,947		757,761

The financial statements were approved by the board of directors and authorised for issue on 6 October 2021 and are signed on its behalf by:

DocuSigned by:

FD7C142FE03BAC1.....
 D W Hook
 Director

Company Registration No. SC109363

CC TECHNOLOGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 31 December 2018		1,000	1,356,646	1,357,646
Year ended 31 December 2019:				
Loss and total comprehensive income for the year		-	(599,885)	(599,885)
Balance at 31 December 2019		1,000	756,761	757,761
Year ended 31 December 2020:				
Loss and total comprehensive income for the year		-	(250,814)	(250,814)
Balance at 31 December 2020		1,000	505,947	506,947

CC TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

CC Technology Limited is a private company limited by shares incorporated in Scotland. The registered office is Berkeley House, 285 Bath Street, GLASGOW, G2 4JL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

Covid-19

The directors believe the company is well placed to withstand the economic effects of the Covid-19 pandemic for a number of reasons. The company's products are all electronic, so there will be no supply chain issues, the business model is subscription based, giving security over future revenues due to high rates of recurring revenue. The customer base is predominantly in the field of research which was mostly exempt from government shut downs.

The principal risks from the pandemic were identified as recoverability of assets through customer payments and reduction in revenue. However no significant financial impacts arose in these areas. The directors expect revenue still to grow during the current financial year.

The company has technology solutions sufficient to enable most employees to effectively work remotely, and a business model that lends itself to remote working, enabling business activities to continue while offices are closed and employees are required to isolate and adhere to social distancing requirements.

Going Concern

In their assessment of Going Concern the directors have given consideration to the impacts of the Covid-19 pandemic on the company's financial position. Forecasts have been prepared by the parent company for the Digital Science group considering different scenarios. In all scenarios the Digital Science group continues to generate positive cashflows, given the nature of the business model and customer base, the likelihood of the most pessimistic scenario forecast is considered remote.

Due to the structure of this entity there is reliance on intercompany financing from companies in the Digital Science Group and billing for the day to day operations via central treasury and billings functions, the entity also has intercompany balances that are repayable on demand. As such the directors have obtained a letter of support from the parent company Digital Science & Research Solutions Limited. The directors have performed enquiries and are confident that the parent can provide such support for the period to 31 October 2022. On this basis the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

CC TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.2 FRS102 – reduced disclosure exemptions

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

- The requirements of Section 7 Statement of Cash Flows
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

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

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

Plant and machinery	50% Straight line
Fixtures, fittings & equipment	15% Straight line
Computer equipment	50% Straight line

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

CC TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.5 Impairment of fixed assets

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

1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.7 Financial Instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

CC TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including certain creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

CC TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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

CC TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.12 Foreign exchange

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

2 Revenue

Turnover attributable to geographical markets outside the United Kingdom amounted to £839,118 (31 December 2019: £980,291).

3 Operating loss

	31 December 2020	31 December 2019
	£	£
Operating loss) for the year is stated after charging:		
Employee costs	2,324,864	2,303,108
Subcontract labour	-	85,138
Rent and rates	92,525	120,673
Auditors' remuneration	25,547	24,000
Depreciation expense	22,156	15,213
	<u>2,465,092</u>	<u>2,548,132</u>

4 Employees and Directors

The average monthly number of persons (including directors) employed by the company during the year was 44 (2019 - 47).

Their aggregate remuneration comprised:

	31 December 2020	31 December 2019
	£	£
Wages and salaries	1,984,801	2,024,084
Social security costs	228,679	208,005
Pension costs	122,873	71,019
	<u>2,336,353</u>	<u>2,303,108</u>

CC TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****4 Employees and Directors (continued)**

Directors remuneration

	31 December 2020	31 December 2019
	£	£
Remuneration for qualifying services	<u>193,432</u>	<u>210,830</u>
	2020 No.	2019 No.
Number of directors accruing benefits under:		
Defined benefit pension schemes	<u>-</u>	<u>-</u>
Defined contribution pension schemes	<u>1</u>	<u>1</u>
	2020 £'000	2019 £'000
Company contributions paid to defined contribution pension schemes	<u>15,500</u>	<u>7,750</u>
The amounts in respect of the highest paid director are as follows:		
	2020 £'000	2019 £'000
Emoluments	<u>108,255</u>	<u>90,580</u>
Accrued pension at the year-end under defined benefit scheme	<u>-</u>	<u>-</u>
Company contributions paid to defined contribution pension schemes	<u>7,750</u>	<u>7,750</u>

CC TECHNOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

5 Income tax credit

	31 December 2020	31 December 2019
	£	£
Tax credited on the income statement:		
Current income tax	-	-
Adjustments in respect of current income tax of previous years	-	-
	<u> </u>	<u> </u>
Income tax credit reported in income statement	-	-
	<u> </u>	<u> </u>
The credit for the year can be reconciled to the loss per the income statement as follows:		
Loss before taxation	(250,814)	(599,885)
	<u> </u>	<u> </u>
Expected tax charge based on a corporation tax rate of 19%	(47,655)	(113,978)
Income not subject to corporation tax	-	(3,328)
Expenses not deductible in determining taxable profit	37,580	22,064
Unutilised tax losses carried forward	10,075	95,242
Effects of adjustments from previous year	-	-
	<u> </u>	<u> </u>
Tax credit for the year	-	-
	<u> </u>	<u> </u>

The Company has tax losses of £675,756 (2019: (£590,704)) that are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses due to the uncertainty of future income against which the losses could be utilised.

Factors that may affect future tax charges:

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's/group's deferred tax balances.

The effect on the Company of these further proposed changes of the UK tax system will be reflected in the Company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

CC TECHNOLOGY LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2020	255,722
Additions	-
	<hr/>
At 31 December 2020	255,722
	<hr/>
Depreciation and impairment	
At 1 January 2020	205,657
Depreciation charged in the year	22,156
	<hr/>
At 31 December 2020	227,813
	<hr/>
Carrying amount	
At 31 December 2020	27,909
	<hr/>
At 31 December 2019	50,065
	<hr/>

7 Debtors

	31 December 2020	31 December 2019
	£	£
Amounts falling due within one year:		
Trade debtors	340,865	509,577
Other debtors	186,163	69,974
Amounts due from group undertakings	1,849,542	1,282,625
Bad debt provision	(2,091)	(74,587)
	<hr/>	<hr/>
	2,374,479	1,787,589
	<hr/>	<hr/>
Ageing of trade debtors (gross)		
0-30 days	222,969	339,044
60-90 days	55,101	67,589
90+ days	62,796	102,944

Included in amounts due from group undertakings is an amount of £1,579,704 (2019 - £1,282,625) due from Digital Science & Research Solutions Limited. The amount is repayable on demand and attracts interest at a rate of 2.61%.

CC TECHNOLOGY LIMITED
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2020

8 Creditors: amounts falling due within one year

	31 December 2020	31 December 2019
	£	£
Trade creditors	732,022	7,150
Other taxation and social security	349,564	50,700
Accruals and deferred revenue	698,066	1,016,810
Other creditors	45,581	88,563
	<u>1,825,232</u>	<u>1,163,223</u>

Trade creditors includes £703,022 (2019: Nil) owed to group undertakings.

Creditors: amounts falling due after one year

Other creditors	<u>200,207</u>	<u>100,115</u>
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9 Called up share capital

	31 December 2020	31 December 2019
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>1,000</u>	<u>1,000</u>

10 Controlling Party

The company's immediate parent undertaking is Digital Science & Research Solutions Limited which holds 100% of the issued share capital of the company. The Address of their registered office is The Campus, 4 Crinan Street, London, United Kingdom, N1 9XW.

The company's ultimate parent undertaking and controlling party is Georg von Holtzbrinck GmbH & Co KG, a German partnership.

Georg Von Holtzbrinck GmbH & Co KG is the parent undertaking of the largest group of undertaking of which the company is a subsidiary undertaking for which group financial statements are prepared.