

COMPANY REGISTRATION NUMBER 02745421

**Sequel Business Solutions Limited**

**Financial Statements**

**31 December 2020**



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**22 SEP 2021**

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# Sequel Business Solutions Limited

## Financial Statements

Year ended 31 December 2020

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<b>Contents</b>	<b>Page</b>
Officers and professional advisers	1
Strategic Report	2
Directors' Report	5
Statement of Directors' Responsibilities	9
Independent Auditor's Report to the Shareholders of Sequel Business Solutions Limited	10
Consolidated Statement of Comprehensive Income	14
Consolidated Statement of Financial Position	15
Company Statement of Financial Position	16
Consolidated Statement of Changes in Equity	17
Company Statement of Changes in Equity	18
Notes to the financial statements	19

# Sequel Business Solutions Limited

## Officers and Professional Advisers

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**The Board of Directors**

I C Summers  
H Banton  
K E Thompson (Resigned 7 April 2021)  
T C Wong (Appointed 7 April 2021)

**Registered Office**

Level 26 22 Bishopsgate  
London  
EC2N 4BQ

**Bankers**

HSBC Bank plc  
2 Buchanan Street  
Glasgow  
G1 3LB

**Solicitors**

Dickson Minto WS  
16 Charlotte Square  
Edinburgh  
EH2 4DF

**Auditor**

Grant Thornton UK LLP  
Statutory Auditors  
110 Queen Street  
Glasgow  
G1 3BX

# Sequel Business Solutions Limited

## Strategic report

Year ended 31 December 2020

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### Principal activities and business review

The principal activity of the Sequel Business Solutions Limited (the "Company") and its subsidiaries (collectively, the "Group") is delivering business software to broking and underwriting companies within the global, complex insurance and reinsurance industries.

The Group's core solutions address the full complex insurance operational process. The products include the Eclipse Underwriting and Eclipse Broking software, which provide end-to-end underwriting and broking workflow solutions; Sequel Claims, a commercial and specialty insurance claims management solution; Sequel Re, an end to end platform for outward re-insurance; and Sequel Impact, a risk analytics and exposure management tool.

Turnover was £45,812,722 for the year ended 31 December 2020 (2019: £38,689,264), growth of 18.1%. The loss before taxation was £1,904,276 for the year ended 31 December 2020. The loss before taxation was primarily due to the amortization of certain acquisition related intangible assets and goodwill of £7,696,980 and a foreign currency loss of £681,197. Excluding these items, profit before taxation would be £6,473,901. Overall turnover growth has been driven by sales of multi-year licences and associated consultancy revenues to new and existing customers. The majority of turnover continues to be derived from recurring multi-year licences.

The Group has continued to invest in its solutions, in collaboration with its clients, through increased investment in research and development. The Board continues to prioritise the development of its products to meet and exceed the expectations of the specialty insurance market, and to extend the capability of the product suite into adjacent insurance markets. The Group fosters innovation, through the use of innovation forums, held regularly with clients.

The directors consider that the level of business and the year-end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Principal risks and uncertainties

The principal risks and uncertainties facing the Group relate to customer retention, success of new product development, employee retention, cyber security, and the protection of the Group's intellectual property. The Group has an established risk management framework designed to identify, assess, monitor and manage risk in line with the Group's risk appetite in order to achieve business objectives and strategic aim, as well as identify material changes to the Group's risk profile. There is dedicated risk management resources to operate risk management practices and support the Group in implementing appropriate controls proportionate to the identified risks, which provides independent assurance to the Board.

### Financial risk management objectives and policies

The Group operates a centralised treasury function, which is responsible for managing the liquidity, interest and foreign currency risks associated with the Group's activities.

The Group ensures that it has sufficient liquid resources to meet the operating needs of its business.

No hedging activities are entered into by the Group.

## **Sequel Business Solutions Limited**

**Strategic report** *(continued)*

**Year ended 31 December 2020**

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### **Credit risk**

The Group's credit risk is attributable to its trade debtors. Balances are concentrated in a controlled number of large customers which are blue chip companies and Lloyd's Syndicates.

All prospective customers must fulfil credit rating criteria approved by the Board. Receivable balances are monitored on an ongoing basis.

### **Other risks**

The referendum result in June 2016 which resulted in the decision for the UK to leave the European Union ("Brexit") has created a great deal of uncertainty. It has been over four years later and arguably, little has changed. Brexit continues to dominate headlines and the outcome remains uncertain at this point despite the formal exit of the UK from the EU on 31 January 2020. Whilst it is difficult to plan for what the final outcome will be, it has been possible for the Group to take some prudent measures to assess what risk the end result of Brexit might pose our business and where possible, mitigate that risk.

Shortly after the Brexit result, Verisk Analytics, Inc. formed a Brexit working committee who were tasked with identifying the Group's interaction with the EU and to assess the potential impact of Brexit on the business. The Brexit working committee consisted of professionals from different functional areas within the business, each of whom would be responsible for examining these interactions that the business had with the EU, assessing the risk of Brexit in respect of their functional area and determining to what extent those risks could be mitigated. The working group was made up of employees from procurement, risk / legal / compliance, human resources, and tax. Together the group looked at the following areas of risk; supply chain, sales to EU customers, data protection/GDPR, intellectual property, contract law, EU national employees and taxation.

Brexit continues to be an area of uncertainty for businesses and individuals in the UK and EU. However, we believe that as a business we have conducted appropriate reviews to ensure that the impact of Brexit is minimal. Furthermore, we do not believe that the services we supply will be disrupted by any additional form of legislation, restrictions or taxation following the UK's departure from the EU.

On the 11th March 2020, the World Health Organisation declared COVID-19 as a pandemic. The impact of the COVID-19 pandemic has had a lower economic impact on the Group relative to other businesses who are operating directly in the leisure and retail industries. The main impact has been on the restriction of movement globally which whilst impacting on face to face contact with our clients and some consultancy opportunities it has resulted in a reduction in our largest variable expenditure line of travel costs. This has in turn created new opportunities of how we engage, support, and interact with both our staff and clients. We will continue to monitor the impact of COVID-19 on our business, but we believe that we have the resources and capability to manage our cost base through this situation in a positive manner.

### **Performance Monitoring**

The Group believes its ability to generate recurring revenues is a key indicator of a successful execution of its business strategy. The Group uses year over year revenue growth plus EBITDA margin as metrics to measure its performance.

## Sequel Business Solutions Limited

Strategic report *(continued)*

Year ended 31 December 2020

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### Future developments

The Group has evaluated subsequent events through the date these financial statements were approved and has not identified any significant subsequent events that require consideration as an adjustment. On 2<sup>nd</sup> March 2021 the Group purchased 51% of the share capital of Whitespace Software Limited.

Approved by the Board of Directors and signed on its behalf by:



Helen Banton  
Director  
15 September 2021

## **Sequel Business Solutions Limited**

### **Directors' Report**

**Year ended 31 December 2020**

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The directors have the pleasure in presenting this report and the financial statements of the Group for the year ended 31 December 2020. The comparative period shown, is for the year ended 31 December 2019.

#### **Results and dividends**

The loss for the year ended 31 December 2020, after taxation, amounted to £2,761,406 (2019: £2,385,328 loss).

The directors do not recommend the payment of a dividend (2019: £nil).

#### **Directors' indemnity**

The Company's Articles of Associations provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance cover is in place in respect of the Company's directors.

#### **The Board's statement on s172(1) of the Companies Act 2006**

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Group are appropriately informed by s172 factors. Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Group's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Illustrations of how s172 factors have been applied by the Board can be found throughout the Strategic Report.

The following comments highlights some of the ways we have continued to engage with the key stakeholder groups throughout the year and how we measured the effectiveness of that engagement.

#### **Shareholders**

As owners of our Group we rely on the support of shareholders and their opinions are important to us. We have an open dialogue with our shareholders, our ultimate parent company, Verisk Analytics, Inc., through one-to-one meetings, group meetings, quarterly and annual operational excellence reviews. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance, and ethical practices.

#### **Colleagues**

Our people are key to our success and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people including colleague surveys, forums, listening groups, face-to-face briefings, internal communities, newsletters, and quarterly briefings. Key areas of focus include health and well-being, development opportunities, pay and benefits.

## Sequel Business Solutions Limited

### Directors' Report *(continued)*

Year ended 31 December 2020

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#### **Customers**

Our ambition is to deliver best-in-class service to our clients. We build strong lasting relationships with them and spend time collaborating with them to understand their needs and views and listen to how we can improve our offer and service for them. We use this knowledge to inform our decision-making, for example to tailor our product development to suit customer needs.

#### **Suppliers**

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues on a regular basis.

#### **Communities**

We engage with the communities in which we operate to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We support local charities and organisations at a site level through encouraging staff to give their time to support local causes.

#### **Government and regulators**

We regularly engage with the governments around the world through a range of industry consultations, forums, meetings, and conferences to communicate our views to policy makers relevant to our business. Key areas of focus for the Group are compliance with laws and regulations, health and safety and ensuring timely and accurate filing. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

#### **Events since after the balance sheet date (separate to s172(1))**

On March 2, 2021, the Company acquired a 51% ownership in Whitespace Software Limited ("Whitespace") for a net cash purchase price of £12,021,757. The remaining 49% ownership interest in Whitespace will be acquired by the Company, in three equal proportions over the next three years, at a purchase price determined based upon a fixed revenue multiple and adjusted for any free cash flow shortfall. Whitespace is a provider of digital placing technology to the reinsurance market.

On September 1, 2021, the Company acquired 100% of the stock of Ignite Software Systems Limited ("Ignite") for a net cash purchase price of £10,035,982. Ignite provides end-to-end insurance policy management systems to brokers.

There have been no other significant events since the balance sheet date

#### **Streamlined energy and carbon reporting ("SECR")**

The Company seeks to minimize the impact of its operations on the environment and is committed to reducing its greenhouse gas ("GHG") emissions.

Key sources of energy, primarily electricity and other utilities, are monitored by our facilities management team.

The Company is working on a comprehensive environmental monitoring and control process to measure environmental performance with a focus on improvements.

## Sequel Business Solutions Limited

### Directors' Report *(continued)*

Year ended 31 December 2020

#### Streamlined energy and carbon reporting ("SECR") (continued)

The table shows the total gross GHG emissions in kg of CO<sub>2</sub> ("kgCO<sub>2</sub>e") in the year ended 31 December 2020:

Scope 1 - Emissions from combustion of gas and fuel for transport purposes	-
Scope 2 - Emissions from purchased electricity and other utilities (location-based)	40,114
Scope 3 - Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel	-
<b>Total gross emissions (kgCO<sub>2</sub>e)</b>	<b>40,114</b>
Total gross emissions (kgCO <sub>2</sub> e)	40,114
Total turnover (£'000's)	45,812
<b>Carbon intensity ratio (kgCO<sub>2</sub>e/£'000's)</b>	<b>0.88</b>

#### Methodology

Scope 1 - Emissions from combustion of gas and fuel for transport purposes - Not applicable

Scope 2 - Emissions from purchased electricity and other utilities (location-based)

Scope 3 - Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel - Not applicable

Using an operational approach, the Company identified its population to ensure that all activities and facilities are being recorded and reported in line with mandatory GHG protocol corporate accounting and reporting standards. The validity, accuracy and completeness of the data was checked and used to calculate the GHG of the Company. Emissions are calculated as activity data multiplied by the emissions factor (sourced from the Government greenhouse gas reporting conversion factors).

The Company uses total turnover to calculate the intensity ratio as this allows emissions to be monitored over time considering changes in the size of the Company. This factor provides the greatest degree of accuracy and is the metric best aligned with business growth.

#### Energy Efficiency

The Company is working on a comprehensive environmental monitoring and control process to measure environmental performance with a focus on improvements as follows:

- Setting targets and objectives for reducing energy use and maintaining energy efficiency programs;
- managing and reducing energy use relating to our business premises;
- respecting all existing, applicable environmental regulations and meeting all new applicable regulations; and
- providing training on good energy management practices and encouraging employee energy involvement initiatives.

## Sequel Business Solutions Limited

### Directors' Report *(continued)*

Year ended 31 December 2020

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#### Political contributions and charitable donations

The Group made no political contributions during the year (2019: £nil) and made no charitable donations during the year (2019: £nil).

#### Employment of disabled persons

Our policy is to give full and fair consideration to applications for employment made by disabled persons having regard to their attitudes and abilities. This policy has the commitment that appropriate training will be arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the Group.

#### Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director 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 Group's auditors are aware of that information.

#### Directors

The directors who served the Company during the year were as follows:

I C Summers	
H Banton	
K E Thompson	(resigned 7 April 2021)
T C Wong	(appointed 7 April 2021)

#### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

Approved by the Board of Directors and signed on its behalf by:



Helen Banton  
Director  
15 September 2021

## **Sequel Business Solutions Limited**

### **Statement of Directors' Responsibilities**

**Year ended 31 December 2020**

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The directors are responsible for preparing the Strategic Report and Directors' 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Group 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 Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Sequel Business Solutions Limited**

### **Independent Auditor's Report to the Shareholders of Sequel Business Solutions Limited**

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#### **Opinion**

We have audited the financial statements of Sequel Business Solutions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Comprehensive Income, Consolidated and company Statement of Financial Position, Consolidated and company 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 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; 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 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 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**

We are responsible for concluding 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 group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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 the 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

## **Sequel Business Solutions Limited**

### **Independent Auditor's Report to the Shareholders of Sequel Business Solutions Limited**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report,<sup>1</sup> other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

#### **Matter on which we are required to report under the Companies Act 2006**

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

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

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 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.

#### **Responsibilities of directors for the financial statements**

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.

## Sequel Business Solutions Limited

### Independent Auditor's Report to the Shareholders of Sequel Business Solutions Limited

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#### Auditor's responsibilities for the audit of the financial statements

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

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

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and industry in which it operates through our general commercial and sector experience and discussions with management. We determined the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland' and the Companies Act 2006.
- We have enquired with management as to any instances of non-compliance with any of the applicable laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We have assessed the susceptibility of the financial statements to material misstatement, including how fraud may occur:
  - Identifying and testing journal entries, with a focus on large or unusual journals, considered by the engagement team to carry a higher risk of fraud;
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the following:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge and experience of the industry in which the client operates; and
  - Understanding of the requirements of FRS 102 in conformity with the requirements of the Companies Act 2006 and the application of the legal and regulatory requirements to the Group.
- In assessing the potential risk of material misstatement, we have obtained an understanding of:
  - The Group's operations, including the nature of its revenue sources, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
  - The Group's control environment, including management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations, the adequacy of procedures surrounding authorisation of transactions, and procedures to ensure that any possible breaches of laws and regulations are appropriately investigated and reported.

## **Sequel Business Solutions Limited**

### **Independent Auditor's Report to the Shareholders of Sequel Business Solutions Limited**

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#### **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.



James Chadwick  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Glasgow  
15 September 2021

**Sequel Business Solutions Limited****Consolidated Statement of Comprehensive Income****Year ended 31 December 2020**

	Note	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
<b>Turnover</b>	2	45,812,722	38,689,264
Administrative expenses		(47,717,193)	(40,007,872)
<b>Operating loss</b>	3	(1,904,471)	(1,318,608)
Interest receivable		195	647
<b>Loss before taxation</b>		(1,904,276)	(1,317,961)
Tax on loss	6	(857,130)	(1,067,367)
<b>Loss and total comprehensive loss for the year</b>		(2,761,406)	(2,385,328)

All the activities of the Group are classed as continuing.

The Group has not recognised any gains or losses other than the results for the year as set out above.

The notes (1 to 17) on pages 19 to 33 form part of these financial statements.

## Sequel Business Solutions Limited

### Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 Dec 2020 £	31 Dec 2019 £
<b>Fixed assets</b>			
Tangible assets	7	1,084,573	1,321,222
Intangible assets	8	69,902,818	77,868,242
		<u>70,987,391</u>	<u>79,189,464</u>
<b>Current assets</b>			
Debtors	10	158,341,762	111,318,253
Cash at bank		1,508,181	1,688,062
		<u>159,849,943</u>	<u>113,006,315</u>
Creditors: amounts falling due within one year	11	(187,112,224)	(144,525,706)
Provisions for liabilities and charges falling due within one year	12	(211,447)	(544,144)
<b>Net current liabilities</b>		<u>(27,473,728)</u>	<u>(32,063,535)</u>
<b>Total assets less current liabilities</b>		<u>43,513,663</u>	<u>47,125,929</u>
Provisions for liabilities and charges	12	(1,164,663)	(2,015,523)
<b>Net assets</b>		<u>42,349,000</u>	<u>45,110,406</u>
<b>Capital and reserves</b>			
Called-up equity share capital	15	99	99
Share premium account		370,578	370,578
Other reserves		68	68
Profit and loss account		41,978,255	44,739,661
<b>Shareholders' funds</b>		<u>42,349,000</u>	<u>45,110,406</u>

Approved by the Board and signed on its behalf by:



Helen Banton  
 Director  
 15 September 2021  
 Company Registration Number: 02745421

The notes (1 to 17) on pages 19 to 33 form part of these financial statements.

## Sequel Business Solutions Limited

### Company Statement of Financial Position

Year ended 31 December 2020

	Note	31 Dec 2020 £	31 Dec 2019 £
<b>Fixed assets</b>			
Tangible assets	7	1,084,573	1,321,222
Intangible assets	8	68,302,904	75,961,711
Investments	9	2,291,758	2,291,758
		<u>71,679,235</u>	<u>79,574,691</u>
<b>Current assets</b>			
Debtors	10	158,286,668	110,210,770
Cash at bank		547,706	824,709
		<u>158,834,374</u>	<u>111,035,479</u>
Creditors: amounts falling due within one year	11	(190,117,704)	(146,511,563)
Provisions for liabilities and charges falling due within one year	12	(211,447)	(544,144)
		<u>(31,494,777)</u>	<u>(36,020,288)</u>
<b>Net current liabilities</b>		<u>(31,494,777)</u>	<u>(36,020,288)</u>
<b>Total assets less current liabilities</b>		<u>40,184,458</u>	<u>43,554,463</u>
Provisions for liabilities and charges	12	(1,126,414)	(1,959,069)
		<u>39,058,044</u>	<u>41,595,394</u>
<b>Net assets</b>		<u>39,058,044</u>	<u>41,595,394</u>
<b>Capital and reserves</b>			
Called-up equity share capital	15	99	99
Share premium account		370,578	370,578
Other reserves		68	68
Profit and loss account		38,687,299	41,224,649
		<u>39,058,044</u>	<u>41,595,394</u>
<b>Shareholders' funds</b>		<u>39,058,044</u>	<u>41,595,394</u>

As permitted under section 408 of the Companies Act 2006, the Company elected not to present its Statement of Comprehensive Income for the year. The Company reported a loss of £2,537,350 for the year ended 31 December 2020 (2019: £5,657,196 loss).

Approved by the Board of Directors and signed on its behalf by:



Helen Banton  
Director  
15 September 2021  
Company Registration Number: 02745421

The notes (1 to 17) on pages 19 to 33 form part of these financial statements.

## Sequel Business Solutions Limited

### Consolidated Statement of Changes in Equity

Year ended 31 December 2020

	Called-up Share Capital £	Share Premium Account £	Other Reserves £	Profit and Loss Account £	Total £
At 31 Dec 2018	99	370,578	68	47,124,989	47,495,734
Total comprehensive loss for the period	-	-	-	(2,385,328)	(2,385,328)
At 31 December 2019	99	370,578	68	44,739,661	45,110,406
Total comprehensive loss for the period	-	-	-	(2,761,406)	(2,761,406)
At 31 December 2020	99	370,578	68	41,978,255	42,349,000

The notes (1 to 17) on pages 19 to 33 form part of these financial statements.

## Sequel Business Solutions Limited

### Company Statement of Changes in Equity

Year ended 31 December 2020

	Called-up Share Capital	Share Premium Account	Other Reserves	Profit and Loss Account	Total
	£	£	£	£	£
At 31 December 2018	99	370,578	68	46,881,845	47,252,590
Total comprehensive loss for the period	-	-	-	(5,657,196)	(5,657,196)
At 31 December 2019	99	370,578	68	41,224,649	41,595,394
Total comprehensive loss for the period	-	-	-	(2,537,350)	(2,537,350)
At 31 December 2020	99	370,578	68	38,687,299	39,058,044

The notes (1 to 17) on pages 19 to 33 form part of these financial statements.

# Sequel Business Solutions Limited

## Notes to the financial statements

Year ended 31 December 2020

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### 1. Accounting policies

The Company is a company limited by shares and incorporated and domiciled in England in the UK.

#### Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest Sterling.

As permitted under section 408 of the Companies Act 2006, the Company elected not to present its Statement of Comprehensive Income for the year.

The Group's ultimate parent undertaking, Verisk Analytics, Inc., includes the Group in its consolidated financial statements. The consolidated financial statements of Verisk Analytics, Inc. are prepared in accordance with Generally Accepted Accounting Principles in the United States of America. In these financial statements, the Group is a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Verisk Analytics, Inc. include the equivalent disclosures, the Group has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### Measurement Convention

The financial statements are prepared on the historical cost basis except financial instruments classified at fair value through the profit or loss that are stated at fair value.

#### Going concern

The Group had turnover of £45,812,722 for the year ended 31 December 2020 (2019: £38,689,264), or growth of 18.1%, and a loss before taxation of £1,904,276 for the year ended 31 December 2020. The loss before taxation was primarily due to the amortization of certain acquisition related intangible assets and goodwill of £7,696,980 and a foreign currency loss of £681,197. Excluding these items, profit before taxation would be £6,473,901. Based on this, the directors have a reasonable expectation that the Group will have adequate resources available to them and financial support from the ultimate parent company to continue in operational existence for at least the next twelve months from the date of these financial statements. Management have also assessed the impact of the COVID-19 pandemic on the business through re-forecasting and budgeting and as a result, they continue to adopt the going concern basis of accounting in preparing the financial statements.

# Sequel Business Solutions Limited

## Notes to the financial statements (continued)

Year ended 31 December 2020

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### 1. Accounting policies (continued)

#### Basis for Consolidation

The consolidated financial statements include the financial statements of the Group's undertakings made up to 31 December 2020. A subsidiary within the Group is an entity that is controlled by the Company. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable. In the Company's financial statements, investments in subsidiaries are carried at cost less impairment

#### Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Company. At the acquisition date, the Company recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration; plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

#### Turnover

Turnover represents the value of work done for customers after adjusting for all foreseeable losses, and excluding value added tax. Turnover from the sale of software licenses is recognised from customer acceptance, over the term of the license. Under specific contractual arrangements there are software licences that are recognised as perpetual. Turnover from software support and maintenance agreements is recognised proportionally over the period that the services are provided. Turnover from professional services (implementation, consultancy, project management and training) is recognised as the services are performed. On major projects extending over more than one accounting period, turnover is taken based on the stage of completion when the outcome of the contract can be seen with reasonable certainty. Payments received in advance are included in deferred income in creditors.

#### Intangible assets

##### Goodwill

Goodwill arising on acquisition, being the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised in the year of acquisition. Under FRS 102, Goodwill has been amortised over ten years as the directors believe that the acquired businesses have useful economic life on the basis of their assessment of the strength of the acquired brands, the underlying business and their assets, including their intellectual property, research data, customer relationships and market position, as evidenced by the strength of historic and projected cash flows.

In addition, Goodwill is subject to a further annual impairment test based on a discounted future cash flow model to ensure it reflects a true and fair view of the carrying value.

##### Sales relationships

Sales relationships, which were acquired in a business combination, are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of sales relationships over their estimated useful lives of 13 years.

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2020

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#### 1. Accounting policies (continued)

##### *Technology*

Developed technology, which were acquired in a business combination, are recognised at fair value at the acquisition date. Technology has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of acquired technologies over their estimated useful lives of 5-7 years.

##### *Marketing*

Marketing intangible assets, including trademarks/tradenames, which were acquired in a business combination, are recognised at fair value at the acquisition date. Marketing has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of acquired marketing intangible assets over their estimated useful lives of 10 years.

##### *Research and development*

Expenditures on research activities is recognised in the Consolidated Statement of Comprehensive Income as an expense as incurred.

Expenditures on development activities may be capitalised if the product or process is technically and commercially feasible, the Company intends and has the technical ability to complete development, future economic benefits are probable, and the Company can reliably measure the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditures are recognised in the profit and loss account as an expense as incurred. Capitalised development expenditures are stated at cost less accumulated amortisation and accumulated impairment losses.

##### *Amortisation*

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- |                                 |           |
|---------------------------------|-----------|
| • Capitalised development costs | 3-5 years |
| • Acquired Technology           | 5-7 years |
| • Sales Relationships           | 13 years  |
| • Goodwill                      | 10 years  |
| • Marketing                     | 10 years  |

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of Assets when there is an indication that an intangible asset may be impaired.

##### **Fixed assets**

Tangible fixed assets are stated at cost less depreciation. Asset retirement obligations are capitalised at the expected present value of the obligation, with a corresponding liability being recognised in provisions, and are depreciated over the useful economic life of the related asset.

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2020

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#### 1. Accounting policies (continued)

##### Depreciation

Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the economic useful life of that asset as follows:

Leasehold Improvements	-	Over the Life of the lease (monthly basis)
Computer Equipment	-	3 years (straight line basis)
Fixtures, Fittings & Equipment	-	3 – 10 years (straight line basis)
Office Equipment	-	3 – 10 years (straight line basis)

##### Operating lease agreements

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

##### Pension costs

The Group operates defined contribution schemes for directors and employees. Contributions payable to the Group's stakeholder pension scheme are charged to the profit and loss account in the period to which they relate.

##### Foreign currencies

Costs expensed in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at rates of exchange ruling at the balance sheet date. Differences on the translation of such items are recorded in Consolidated Statement of Comprehensive Income.

##### Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

##### Financial instruments

Following the adoption of FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent they meet the following two conditions:

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

Financial payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Financial payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

##### Basic Financial Instruments

###### Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. After initial recognition, they are measured at cost less any impairment losses in the case of trade debtors.

# Sequel Business Solutions Limited

## Notes to the financial statements (continued)

Year ended 31 December 2020

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### 1. Accounting policies (continued)

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances only.

#### **Current taxation**

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Group operates and generates income.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed in the Consolidated and Company's Statement of Financial Position date. Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is sufficiently probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Consolidated and Company's Statement of Financial Position date.

#### **Provisions**

A provision is recognised in the Consolidated and Company's Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

#### **Significant Judgements and Estimates**

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions of the effects of uncertain future events on those assets and liabilities at the Consolidated and Company's Statement of Financial Position date. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically.

At the end of each reporting period, the Group, review the carrying amount of its investments & acquired intangibles to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated to determine the extent of the impairment loss (if any).

#### **Critical judgements in applying the Group's accounting policies**

During the year, management considered the recoverability of its Development Costs which are included in the Consolidated and Company's Statement of Financial Position at a total of £18,523,933 net book value at 31 December 2020 (2019: £18,792,378). Management reviews individual projects to ensure that their development continues to progress in a satisfactory manner, and that the projected revenues and costs are in line with previous estimates, and more then recover the current carrying value. This situation will continue to be closely monitored.

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2020

#### 2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the Group.

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
	£	£
Rendering of services	45,812,722	38,689,264
An analysis of turnover is given below:		
United Kingdom	43,808,894	37,236,042
Overseas	2,003,828	1,453,222
	<u>45,812,722</u>	<u>38,689,264</u>

#### 3. Operating loss

Operating loss is stated after charging:

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
	£	£
Depreciation of owned fixed assets	445,782	318,062
Amortisation of Intangible assets	17,007,339	13,259,424
Loss on disposal of fixed assets	-	207
Operating lease rentals	729,440	1,576,770
Net loss on foreign currency translation	793,842	654,484
Auditors' remuneration	54,500	55,300

#### 4. Particulars of employees

The average number of staff employed by the Group during the financial period amounted to:

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
	No	No
Number of production staff	320	298
Number of administrative staff	53	50
Directors	2	2
	<u>375</u>	<u>350</u>

The aggregate payroll costs of the above were:

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
	£	£
Wages and salaries	22,317,926	20,013,932
Social security costs	3,905,453	3,447,071
Other pension costs	1,187,322	1,094,970
	<u>27,410,701</u>	<u>24,555,973</u>

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2020

#### 5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
	£	£
Remuneration receivable	866,513	843,584
Value of Company pension contributions to money purchase schemes	33,532	35,739
	<u>900,045</u>	<u>879,323</u>

#### Remuneration of highest paid director:

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
	£	£
Remuneration	512,355	481,173
Pension Contributions	18,552	20,829
	<u>530,907</u>	<u>502,002</u>

The number of directors who accrued benefits under the Company's pension schemes was as follows:

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2020

#### 6. Taxation on ordinary activities

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Current tax		
UK corporation tax on profits for the period	1,334,977	685,603
Adjustment in respect of previous periods	76,165	(347,679)
Foreign tax relief/other relief	-	-
	<u>296,849</u>	<u>270,804</u>
Foreign tax suffered		
	<u>296,849</u>	<u>270,804</u>
Total current tax	<u>1,707,991</u>	<u>608,729</u>
Deferred tax		
Origination and reversal of timing differences	(1,080,626)	63,647
Adjustment in respect of previous periods	61	394,991
Effect of changes in tax rates	229,705	-
	<u>(850,860)</u>	<u>458,638</u>
Total deferred tax	<u>(850,860)</u>	<u>458,638</u>
Total tax per profit and loss account	<u>857,131</u>	<u>1,067,367</u>
The charge for the year can be reconciled to the profit per the profit and loss account as follows:		
Profit/(loss) for the period	<u>(1,904,276)</u>	<u>(1,317,959)</u>
Tax on profit at standard UK tax rate of 19% (2018: 19%)	(361,812)	(250,412)
Effects of:		
Expenses not deductible	913,012	1,007,151
Effects of group relief/other reliefs	-	-
Difference in deferred tax rate 17% to 19%	229,704	(7,488)
Adjustment from previous periods	76,226	47,313
Foreign taxes	-	270,804
Income not taxable	-	-
	<u>857,130</u>	<u>1,067,367</u>
Tax charge for the period	<u>857,130</u>	<u>1,067,367</u>

The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. The UK Government has since announced that the UK corporate tax rate will be increased to 25% effective 1st April 2023. As the increase in tax rate has not been enacted all deferred tax balances as at 31 December 2020 continue to be measured at a rate of 19%. There are no current or deferred tax amount disclosed within the accounts in relation to items recognised in other comprehensive income.

## Sequel Business Solutions Limited

Notes to the financial statements (continued)

Year ended 31 December 2020

### 7. Tangible fixed assets – Consolidated and Company

	Leasehold Property £	Computer equipment £	Fixtures & Fittings £	Equipment £	Total £
<b>Cost</b>					
At 31 December 2019	1,585,498	2,781,101	295,240	33,750	4,695,589
Additions	201,006	350,036	14,532	-	565,574
Disposal	(356,441)	-	-	-	(356,441)
<b>At 31 December 2020</b>	<b>1,430,063</b>	<b>3,131,137</b>	<b>309,772</b>	<b>33,750</b>	<b>4,904,722</b>
<b>Depreciation</b>					
At 31 December 2019	1,026,333	2,173,435	143,239	31,360	3,374,367
Charge for the period	58,134	358,010	29,463	175	445,782
<b>At 31 December 2020</b>	<b>1,084,467</b>	<b>2,531,445</b>	<b>172,702</b>	<b>31,535</b>	<b>3,820,149</b>
<b>Net book value</b>					
At 31 December 2020	345,596	599,692	137,070	2,215	1,084,573
At 31 December 2019	559,165	607,666	152,001	2,390	1,321,222

### 8. Intangible assets - Consolidated

	Technology £	Marketing £	Customers £	Goodwill £	Development costs £	Total £
<b>Cost</b>						
At 31 December 2019	14,160,000	1,790,000	3,940,000	47,241,333	24,516,533	91,647,866
Additions	-	-	-	-	9,057,678	9,057,678
Disposals	-	-	-	-	(15,763)	(15,763)
<b>At 31 December 2020</b>	<b>14,160,000</b>	<b>1,790,000</b>	<b>3,940,000</b>	<b>47,241,333</b>	<b>33,558,448</b>	<b>100,689,781</b>
<b>Amortisation</b>						
At 31 December 2019	2,469,918	187,337	454,053	4,944,162	5,724,154	13,779,624
Charge for the period	2,360,000	179,000	433,846	4,724,133	9,310,360	17,007,339
<b>At 31 December 2020</b>	<b>4,829,918</b>	<b>366,337</b>	<b>887,899</b>	<b>9,668,295</b>	<b>15,034,514</b>	<b>30,786,963</b>
<b>Net book value</b>						
At 31 December 2020	9,330,082	1,423,663	3,052,101	37,573,038	18,523,934	69,902,818
At 31 December 2019	11,690,082	1,602,663	3,485,947	42,297,171	18,792,379	77,868,242

## Sequel Business Solutions Limited

Notes to the financial statements (continued)

Year ended 31 December 2020

### 8. Intangible assets – (continued) Intangible assets - Company

	Technology	Marketing	Customers	Goodwill	Development costs	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 31 December 2019	14,160,000	1,790,000	3,430,000	45,482,846	24,516,533	89,379,379
Additions	-	-	-	-	9,057,678	9,057,678
Disposals	-	-	-	-	(15,764)	(15,764)
<b>At 31 December 2020</b>	<b>14,160,000</b>	<b>1,790,000</b>	<b>3,430,000</b>	<b>45,482,846</b>	<b>33,558,448</b>	<b>98,421,293</b>
<b>Amortisation</b>						
At 31 December 2019	2,469,918	187,337	276,135	4,760,121	5,724,155	13,417,666
Charge for the period	2,360,000	179,000	303,077	4,548,286	9,310,360	16,700,723
<b>At 31 December 2020</b>	<b>4,829,918</b>	<b>366,337</b>	<b>579,212</b>	<b>9,308,407</b>	<b>15,034,515</b>	<b>30,118,389</b>
<b>Net book value</b>						
<b>At 31 December 2020</b>	<b>9,330,082</b>	<b>1,423,663</b>	<b>2,850,788</b>	<b>36,174,439</b>	<b>18,523,932</b>	<b>68,302,904</b>
At 31 December 2019	11,690,082	1,602,663	3,153,865	40,722,725	18,792,376	75,961,711

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2020

#### 9. Investments

The investments are as follows:

	Subsidiary Undertakings £
<b>Cost and Net Book Value</b>	
At 1 January 2020	2,291,758
At 31 December 2020	<u>2,291,758</u>

The investment is: Sequel Rulebook Limited

The subsidiary is located at Level 26 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

#### 10. Debtors

	31 Dec 2020		31 Dec 2019
	Consolidated £	Company £	Consolidated £
Trade debtors	8,260,383	8,149,233	10,933,560
Amounts owed by the group undertakings	137,759,357	137,958,345	88,404,905
Other debtors	2,086,505	2,018,573	944,526
Prepayments and accrued income	8,373,355	8,373,355	9,586,993
RDEC debtor	<u>1,862,162</u>	<u>1,787,162</u>	<u>1,448,269</u>
	<u>158,341,762</u>	<u>158,286,668</u>	<u>111,318,253</u>

Amounts owed by group undertakings are repayable on demand and are non-interest bearing.

#### 11. Creditors: amounts falling due within one year

	31 Dec 2020		31 Dec 2019
	Consolidated £	Company £	Consolidated £
Trade creditors	-	-	15,810
Amounts owed to group undertakings	169,979,825	172,996,472	126,592,700
Other Creditors	285,337	285,337	143,880
Taxation and social security	2,249,360	2,238,193	2,051,026
Accruals and deferred income	<u>14,597,702</u>	<u>14,597,702</u>	<u>15,722,290</u>
	<u>187,112,224</u>	<u>190,117,704</u>	<u>144,525,706</u>

Amounts owed by group undertakings are repayable on demand and are non-interest bearing.

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2020

#### 12. Provisions for liabilities and charges

	Consolidated £	31 Dec 2020 Company £	Consolidated £	31 Dec 2019 Company £
Falling due within one year:				
Employee Benefits	211,447	211,447	198,282	198,282
Dilapidations	-	-	345,862	345,862
	<u>211,447</u>	<u>211,447</u>	<u>544,144</u>	<u>544,144</u>
Falling due in greater than one year:				
Deferred taxation	1,164,663	1,126,414	2,015,523	1,959,069
	<u>1,164,664</u>	<u>1,126,414</u>	<u>2,015,523</u>	<u>1,959,069</u>

#### Employee Benefits

	31 Dec 2020 £	31 Dec 2019 £
Falling due within one year:		
Opening Balance	198,282	198,282
Movement in provision	13,165	-
	<u>211,447</u>	<u>198,282</u>

The provision for employee benefits represents the future costs of providing an allowance of holiday to employees of the business. The total amount provided is expected to be utilised within 12 months of the balance sheet date.

#### Dilapidations

	31 Dec 2020	31 Dec 2019
Falling due within than one year:		
Opening Balance	345,862	335,152
Unwinding of discount on present value	4,138	10,710
Release	(350,000)	-
	<u>-</u>	<u>345,862</u>

The dilapidation provision represents the present value of estimated future costs to restore the leased premises to its original state on expiry of the lease. The lease expired in June 2020 and the provision released.

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2020

#### 12. Provisions for liabilities and charges (continued)

##### Deferred taxation - Consolidated

The deferred tax included in the Balance sheet is as follows:

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Deferred taxation	<u>1,164,663</u>	<u>2,015,523</u>

The movement in the deferred taxation account during the year was:

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Balance brought forward	2,015,523	1,556,885
Adjustment in respect of prior years	229,766	425,237
Deferred tax charge to Tax on loss for the year	<u>(1,080,626)</u>	<u>33,401</u>
Balance carried forward	<u>1,164,663</u>	<u>2,015,523</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Fixed asset timing differences	736,844	1,491,305
Other timing differences	(152,080)	(68,393)
Intangible Assets	<u>579,899</u>	<u>592,611</u>
	<u>1,164,663</u>	<u>2,015,523</u>

Deferred tax (assets)  
Recoverable within 12 months

<u>(152,080)</u>	<u>(68,393)</u>
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Deferred tax liabilities  
Payable within 12 months  
Payable after 12 months

-	-
<u>1,316,743</u>	<u>2,083,916</u>
<u>1,399,174</u>	<u>2,083,916</u>

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2020

#### 12. Provisions for liabilities and charges (continued)

##### Deferred taxation - Company

The deferred tax included in the Balance sheet is as follows:

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Deferred taxation	<u>1,126,413</u>	<u>1,959,069</u>

The movement in the deferred taxation account during the year was:

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Balance brought forward	1,959,069	1,470,185
Adjustment in respect of prior years	223,124	425,237
Deferred tax charge for the year	<u>(1,055,780)</u>	<u>63,647</u>
Balance carried forward	<u>1,126,413</u>	<u>1,959,069</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Fixed asset timing differences	736,843	1,491,305
Other timing differences	(152,080)	(68,393)
Intangible Assets	<u>541,650</u>	<u>536,157</u>
	<u>1,126,413</u>	<u>1,959,069</u>
Deferred tax (assets)		
Recoverable within 12 months	<u>(182,080)</u>	<u>(68,393)</u>
Deferred tax liabilities		
Payable within 12 months	1,278,493	-
Payable after 12 months	<u>1,278,493</u>	<u>2,027,462</u>
	<u>1,278,493</u>	<u>2,027,462</u>

## Sequel Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2020

#### 13. Commitments under operating leases

At 31 December 2020, the Group had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	31 Dec 2020	31 Dec 2019
	£	£
Operating leases which expire:		
No later than one year	213,587	730,411
Later than one year and not later than five years	847,001	52,030
	<u>1,060,588</u>	<u>782,441</u>

#### 14. Related party transactions

The Group has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared for the parent company, Verisk Analytics, Inc. and are publicly available.

The parent undertaking has provided a guarantee over the outstanding liabilities at the balance sheet date of the subsidiaries listed below pursuant to sections 479 A-C of Companies Act 2006. These subsidiaries are excepted from the requirement of the UK Companies Act 2006 related to the audit of the individual accounts by virtue of section 479A of that Act:

Sequel Rulebook Limited

The subsidiary is located at Level 26 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

#### 15. Share capital

Allotted, called up and fully paid:

	31 Dec 2020		31 Dec 2019	
	No	£	No	£
7,401 Ordinary shares of £0.01 each	7,401	74	7,401	74
2,471 Ordinary A shares of £0.01 each	2,471	25	2,471	25
	<u>9,872</u>	<u>99</u>	<u>9,872</u>	<u>99</u>

#### 16. Pensions

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. Contributions payable by the Company during the period amounted to £1,187,322 (31 December 2019: £1,094,970) and have been recognised in the profit and loss account. Contributions totalling £117,120 were payable to the fund at the period end and are included in creditors (2019: £95,466).

#### 17. Ultimate parent company

The immediate parent company is Sequel Business Holdings Limited. The smallest group into which the Group's results are consolidated is Verisk Analytics, Inc. At 31 December 2020 Verisk Analytics, Inc., who is a leading provider of information about risk to professionals in insurance, energy, financial services, government and risk management, is headquartered in Jersey City, New Jersey, United States, at the registered address 545 Washington Boulevard, Jersey City, New Jersey. Verisk Analytics, Inc. is the ultimate parent company and both the largest and smallest group into which the results are consolidated. Verisk Analytics, Inc. is a quoted company trading under the ticker symbol "VRSK" on the Nasdaq Global Select Market.