

Registered number: 07784576

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**SHE SOFTWARE GROUP LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**



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**SHE SOFTWARE GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Matthew Paul Elson Martin Dale Fincham Robert Michael Reid Jason Kenneth Warren (appointed 22 September 2020)
<b>Company secretary</b>	Kathryn Jones MBM Secretarial Services Limited
<b>Registered number</b>	07784576
<b>Registered office</b>	Regent House 316 Beulah Hill London SE19 3HF
<b>Trading Address</b>	Prism House Scottish Enterprise Technology Park 2 Rankine Avenue East Kilbride G75 0QF
<b>Independent auditor</b>	French Duncan LLP Chartered Accountants & Statutory Auditors 133 Finnieston Street Glasgow G3 8HB

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**SHE SOFTWARE GROUP LIMITED**

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## SHE SOFTWARE GROUP LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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#### Introduction

The directors present the strategic report for the year ended 31 March 2021

#### Business review

The Group has had a strong performance for the year ended 31 March 2021, growing total revenue 20% year on year. To achieve this despite the significant obstacles resulting from Covid-19, as well as building momentum into the current financial year, is a testament to the resilience of the Group's business model, and strength of the product and its talent.

The Group is operating in a growth market, and is enjoying between 20% and 40% revenue and ARR growth annually. Maintaining this growth rate requires continual investment and the business is sufficiently capitalised through a combination of debt and equity funding. The main use of investment funds in a fast growing SaaS businesses is in the acquisition of customers. Whilst the life time value of a customer is greater than the cost to acquire, the initial acquisition and onboarding costs outweigh the first year revenues.

As part of the overall strategy of the board, investment is also made in the current year in future growth through investing in product architecture and building up the product brand as well as customer lead generation activities which will provide the base for future customer, and hence revenue, acquisition. Investing in future growth in this way generally means reporting losses in the earlier years of the business and is in line with board expectations.

The key value driver for the business is Annual Recurring Revenue (ARR) growth. ARR was up in the year to March 2021 by 28%. The majority of our customers sign contracts between 3-5 years in length, and the business also enjoys a strong customer retention rate as customers see great value in our product. This in turn contributes to a high Customer Lifetime Value (LTV).

The Group has a clear vision for the future, with significant growth planned over the next 2 years. A large proportion of this growth is expected to come from North America, which is the Group's current focus of expansion and presents an exciting opportunity. This market is in the early stage of its development with investment being made in the sales and marketing function in the region however the early signs are positive that there is a gap in the market which we can exploit to our benefit and significantly grow our customer base there.

In terms of cash, the Group has additional cash resource in the form of a bank term loan recently drawn down post year end. Whilst Covid-19 has had some impact on trading performance, the Group remains on a rapid growth trajectory with a strong cash backing.

#### Principal risks and uncertainties

The directors have carried out an assessment of the principal risks and uncertainties facing the Group.

#### Changes in health and safety legislation

The Group's business is one with a very low health and safety risk profile with most of our employees being office or home based. Health & Safety legislation is monitored closely internally; there was no significant change in legislation during the previous 12 months, therefore our highest risks have been:

- The Group made it a key priority over the winter (2020/21) to monitor and support the wellbeing of our staff during the Covid-19 pandemic. As we prepared for our employees to return to offices, sensible actions were taken to protect their health and safety whilst attending our premises.
- A reduction in travel during the pandemic has minimised the normally low risk even further. This will be monitored as we return to normal operations.

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**SHE SOFTWARE GROUP LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Software development**

The Group operates in the software development sector which is highly innovative and subject to change. This is mitigated by the recruitment of staff with the relevant competencies and experience, as well as exposing the R&D staff to new and exciting architectural developments.

**Foreign Currency Exposure**

The Group has a number of foreign subsidiaries and customers which gives rise to foreign exchange risks. The Group has bank accounts in each of the foreign subsidiaries and trades in that currency to minimise the exposure to foreign currency fluctuations. The Group also makes use of a leading foreign exchange specialist that provides currency exchange and international payments as and when required.

**Liquidity and interest rate risk**

The cash generated from operations is monitored and expenditures including capital expenditures is controlled to ensure that liabilities can be met on time. The Group is financed through investment, and a bank loan facility. This loan facility is set at a level to ensure that sufficient banking facilities are in place so that the Group can meet their liabilities as they fall due for payment.

**Compliance with laws and regulations**

The Group works to ensure compliance with all relevant legislation including health and safety and employment law. The directors have a process in place to ensure compliance across the business with regular reporting to the Board on these matters.

**Credit Risk**

The Group operates in a market dealing with both cash sales and short-term credit accounts. Appropriate credit monitoring systems are in place throughout the business to manage this risk.

**Financial key performance indicators**

The Group measure financial KPIs in order to manage and develop the business to achieve the Group's strategic objectives. The Group's KPIs include turnover of £6.7m (2020 - £5.6m).

This report was approved by the board and signed on its behalf.

*Matthew Elson*

**Matthew Paul Elson**

Director

Date: 06 August 2021

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## SHE SOFTWARE GROUP LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The directors present their report and the financial statements for the year ended 31 March 2021.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £2,889,780 (2020 - loss £3,077,691).

No dividends were paid during the year (2020: NIL).

#### **Directors**

The directors who served during the year were:

Matthew Paul Elson  
Martin Dale Fincham  
Charles Stephen Winward (resigned 22 September 2020)  
Robert Michael Reid  
Jason Kenneth Warren (appointed 22 September 2020)

#### **Future developments**

The Group is continuing to grow the business in the EMEA, APAC and US markets.

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**SHE SOFTWARE GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Disclosure of information to auditor**

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

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

**Post balance sheet events**

Early in 2020, the world started to face unprecedented uncertainty and disruption as a result of Covid-19. The results of this financial year have not been significantly impacted by this global pandemic which continues to make itself felt throughout the world. Post year end the directors continue to consider the effects of this pandemic on the operations of the business, and going concern considerations and implications for the business post year end are noted in detail at section 2.3 of the accounting policies.

On 14 July 2021 the Group and Company acquired a new subsidiary for a consideration of £985,542, settled by a mix of cash and share issue.

**Auditor**

Under section 487(2) of the Companies Act 2006, French Duncan LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

*Matthew Elson*

**Matthew Paul Elson**  
**Director**

Date: 06 August 2021

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**SHE SOFTWARE GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHE SOFTWARE GROUP LIMITED**

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**Opinion**

We have audited the financial statements of SHE Software Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Balance sheets, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity and the related notes, 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 March 2021 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or 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.

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

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**SHE SOFTWARE GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHE SOFTWARE GROUP LIMITED  
(CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion 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 Group 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 Group strategic report and the 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the 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 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.

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## SHE SOFTWARE GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHE SOFTWARE GROUP LIMITED (CONTINUED)

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#### **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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal invoices; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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**SHE SOFTWARE GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHE SOFTWARE GROUP LIMITED  
(CONTINUED)**

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To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- inspecting any legal invoices; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

**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.



Stephen G Hughes (Senior statutory auditor)

for and on behalf of  
**French Duncan LLP**

Chartered Accountants & Statutory Auditors

133 Finnieston Street  
Glasgow  
G3 8HB

Date: 06 August 2021

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**SHE SOFTWARE GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

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	Note	2021 £	2020 £
Turnover	4	6,694,079	5,594,035
Cost of sales		(270,025)	(242,710)
<b>Gross profit</b>		<b>6,424,054</b>	<b>5,351,325</b>
Administrative expenses		(9,921,660)	(8,807,128)
Other operating income	5	712,372	401,736
<b>Operating loss</b>	6	<b>(2,785,234)</b>	<b>(3,054,067)</b>
Interest receivable and similar income	9	11,826	7,776
Interest payable and similar expenses	10	(4,816)	(17,690)
Foreign currency translation		(194,853)	(73,163)
<b>Loss before taxation</b>		<b>(2,973,077)</b>	<b>(3,137,144)</b>
Tax on loss	11	83,297	59,453
<b>Loss for the financial year</b>		<b>(2,889,780)</b>	<b>(3,077,691)</b>
Foreign Exchange Reserve		212,170	80,991
<b>Other comprehensive income for the year</b>		<b>212,170</b>	<b>80,991</b>
<b>Total comprehensive income for the year</b>		<b>(2,677,610)</b>	<b>(2,996,700)</b>

The notes on pages 18 to 37 form part of these financial statements.

**SHE SOFTWARE GROUP LIMITED**  
**REGISTERED NUMBER: 07784576**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	1,347,212	896,234
Tangible assets	13	56,546	56,593
		<u>1,403,758</u>	<u>952,827</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	174,168	145,513
Debtors: amounts falling due within one year	15	2,325,524	2,041,471
Cash at bank and in hand	16	2,969,924	5,077,053
		<u>5,469,616</u>	<u>7,264,037</u>
Creditors: amounts falling due within one year	17	(5,816,797)	(4,620,500)
<b>Net current (liabilities)/assets</b>		<u>(347,181)</u>	<u>2,643,537</u>
<b>Total assets less current liabilities</b>		<u>1,056,577</u>	<u>3,596,364</u>
Creditors: amounts falling due after more than one year	18	(315,415)	(246,227)
<b>Net assets</b>		<u><u>741,162</u></u>	<u><u>3,350,137</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	17,465	17,465
Share premium account	21	10,900,611	10,900,611
Foreign exchange reserve	21	372,683	160,513
Capital redemption reserve	21	7,050	7,050
Other reserves	21	185,126	116,491
Profit and loss account	21	(10,741,773)	(7,851,993)
		<u><u>741,162</u></u>	<u><u>3,350,137</u></u>

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

*Matthew Elson*  
**Matthew Paul Elson**  
 Director  
 Date: 06 August 2021

The notes on pages 18 to 37 form part of these financial statements.

**SHE SOFTWARE GROUP LIMITED**  
**REGISTERED NUMBER: 07784576**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	14	6,145,848	4,079,258
		<u>6,145,848</u>	<u>4,079,258</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	5,289,705	2,649,440
Debtors: amounts falling due within one year	15	6,338	24,894
Cash at bank and in hand	16	1,214	4,517,708
		<u>5,297,257</u>	<u>7,192,042</u>
Creditors: amounts falling due within one year	17	(16,068)	(24,867)
<b>Net current assets</b>		<u>5,281,189</u>	<u>7,167,175</u>
<b>Total assets less current liabilities</b>		<u>11,427,037</u>	<u>11,246,433</u>
<b>Net assets</b>		<u><u>11,427,037</u></u>	<u><u>11,246,433</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	17,465	17,465
Share premium account	21	10,900,593	10,900,593
Capital redemption reserve	21	7,050	7,050
Other reserves	21	185,126	116,491
Profit and loss account	21	316,803	204,834
		<u>11,427,037</u>	<u>11,246,433</u>

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

*Matthew Elson*

**Matthew Paul Elson**

Director

Date: 06 August 2021

The notes on pages 18 to 37 form part of these financial statements.

## SHE SOFTWARE GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Capital Redemption reserve	Foreign exchange reserve	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 April 2020	17,465	10,900,611	7,050	160,513	116,491	(7,851,993)	3,350,137
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	-	(2,889,780)	(2,889,780)
Foreign exchange movement	-	-	-	212,170	-	-	212,170
<b>Other comprehensive income for the year</b>	-	-	-	212,170	-	-	212,170
<b>Total comprehensive income for the year</b>	-	-	-	212,170	-	(2,889,780)	(2,677,610)
Share based payment transaction	-	-	-	-	68,635	-	68,635
<b>Total transactions with owners</b>	-	-	-	-	68,635	-	68,635
<b>At 31 March 2021</b>	<b>17,465</b>	<b>10,900,611</b>	<b>7,050</b>	<b>372,683</b>	<b>185,126</b>	<b>(10,741,773)</b>	<b>741,162</b>

The notes on pages 18 to 37 form part of these financial statements.

## SHE SOFTWARE GROUP LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Foreign exchange reserve	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 April 2019	14,468	5,980,918	7,050	79,522	82,398	(4,774,302)	1,390,054
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	-	(3,077,691)	(3,077,691)
Foreign exchange movement	-	-	-	80,991	-	-	80,991
<b>Other comprehensive income for the year</b>	-	-	-	80,991	-	-	80,991
<b>Total comprehensive income for the year</b>	-	-	-	80,991	-	(3,077,691)	(2,996,700)
Shares Issued during the year	2,997	4,919,693	-	-	-	-	4,922,690
Share based payment transaction	-	-	-	-	34,093	-	34,093
<b>Total transactions with owners</b>	2,997	4,919,693	-	-	34,093	-	4,956,783
<b>At 31 March 2020</b>	<b>17,465</b>	<b>10,900,611</b>	<b>7,050</b>	<b>160,513</b>	<b>116,491</b>	<b>(7,851,993)</b>	<b>3,350,137</b>

The notes on pages 18 to 37 form part of these financial statements.

## SHE SOFTWARE GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Capital redemption reserve	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2020	17,465	10,900,593	7,050	116,491	204,834	11,246,433
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	111,969	111,969
<b>Other comprehensive income for the year</b>						
	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>					111,969	111,969
<b>Contributions by and distributions to owners</b>						
Share based payment transaction	-	-	-	68,635	-	68,635
<b>Total transactions with owners</b>				68,635	-	68,635
<b>At 31 March 2021</b>	<b>17,465</b>	<b>10,900,593</b>	<b>7,050</b>	<b>185,126</b>	<b>316,803</b>	<b>11,427,037</b>

The notes on pages 18 to 37 form part of these financial statements.

## SHE SOFTWARE GROUP LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2019	14,468	5,980,900	7,050	82,398	156,893	6,241,709
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	47,941	47,941
Other comprehensive income for the year	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	-	47,941	47,941
<b>Contributions by and distributions to owners</b>						
Shares issued during the year	2,997	4,919,693	-	-	-	4,922,690
Share based payment transaction	-	-	-	34,093	-	34,093
<b>Total transactions with owners</b>	2,997	4,919,693	-	34,093	-	4,956,783
<b>At 31 March 2020</b>	<b>17,466</b>	<b>10,900,693</b>	<b>7,050</b>	<b>116,491</b>	<b>204,834</b>	<b>11,246,433</b>

The notes on pages 18 to 37 form part of these financial statements.

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**SHE SOFTWARE GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021**

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	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(2,889,780)	(3,077,691)
<b>Adjustments for:</b>		
Amortisation of intangible assets	714,871	521,383
Depreciation of tangible assets	43,287	33,422
Loss on disposal of tangible assets	1,298	1,766
Government grants	(546,471)	(265,238)
Interest paid	4,816	17,690
Interest received	(11,826)	(7,776)
Taxation charge	(83,297)	(59,453)
(Increase) in debtors	(458,691)	(377,783)
Increase in creditors	944,288	1,163,463
Corporation tax received	144,800	271,892
RDEC Credits	(150,816)	(136,498)
Foreign currency translation	198,185	93,540
Share options	68,635	34,093
<b>Net cash used in operating activities</b>	<b>(2,020,701)</b>	<b>(1,787,190)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,165,849)	(775,781)
Purchase of tangible fixed assets	(44,538)	(12,972)
Sale of tangible fixed assets	-	2,730
Government grants received	1,371,733	279,609
Interest received	11,826	7,776
<b>Net cash from/(used in) investing activities</b>	<b>173,172</b>	<b>(498,638)</b>

**SHE SOFTWARE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	4,922,690
Repayment of other loans	(254,784)	(122,084)
Interest paid	(4,816)	(17,690)
<b>Net cash (used in)/from financing activities</b>	<b>(259,600)</b>	<b>4,782,916</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,107,129)</b>	<b>2,497,088</b>
Cash and cash equivalents at beginning of year	5,077,053	2,579,965
<b>Cash and cash equivalents at the end of year</b>	<b>2,969,924</b>	<b>5,077,053</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,969,924	5,077,053
	<b>2,969,924</b>	<b>5,077,053</b>

The notes on pages 18 to 37 form part of these financial statements.

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## SHE SOFTWARE GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Regent House, 316 Beulah Hill, London, SE19 3HF.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### 2.3 Going concern

As well as an annual budgeting process, the directors of the Group ordinarily review and update cash flow and trading forecasts to ensure the Group has sufficient resources to enable it to meet its liabilities as they fall due for a period of at least twelve months from the date signing of the financial statements, providing the Group has adequate working capital to continue trading over this period. The Group has net current liabilities as at the year end date however this is as a result of non-cash liabilities £4.8m and does impact the Group's ability to generate working capital. The directors believe that the Group has a strong diverse customer base with a number of customers on renewal contracts that are already in place meaning that further sales will be generated and create cash inflows for the business. The Group has shown its ability to grow during 2020 and 2021 financial year, and despite the uncertainty and challenges of Covid-19 the directors believe that the Group will continue on an upward trajectory after this crisis has abated.

Therefore, with a healthy cash balance at Group level, a recently drawn down loan (post year end); the ability of the team to operate and work more remotely; and forecasted trading expectations, the directors are satisfied that the Group will have adequate resources to continue as a going concern for the foreseeable future.

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.5 Revenue**

Revenue is earned from the provision, maintenance and support of Assure software to our customer base and is supplemented by implementation and training fees.

For our subscription and support services we recognise the revenues ratably over the contract term, on a monthly basis, beginning with the month in which the contract commences. For implementation and training fees we recognise revenue over the time period the service is delivered.

Accordingly, deferred revenue is calculated on that element of the contract still remaining at the balance sheet date and on the basis of stage of completion for supplemental services. Our contracts are non-cancellable/non-refundable and the deferred revenue therefore flows in to the next accounting period.

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.8 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

**2.9 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.11 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.12 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**2.13 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.15 Intangible assets**

**Goodwill**

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

**Other intangible assets**

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

Intangible assets consist of software developments. This relates to internally generated software costs to the extent that they can be recovered by future revenues and include employment costs of the development team. Amortisation is treated as an administration expense and is amortised over a period 3 years on a straight-line basis.

**2.16 Tangible fixed assets**

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

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.16 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	20%
Fixtures and fittings	-	20%
Office equipment	-	20%
Computer equipment	-	30%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.17 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.18 Debtors**

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

**2.19 Cash and cash equivalents**

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.20 Creditors**

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

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

**Research and development expenditure**

Development expenditure is capitalised in accordance with the company's accounting policy. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, the number of units to be sold and the expected period of benefits. The directors review annually for evidence of impairment having regards to future revenues.

Judgement is also required in determining the useful life of the intangible asset. The estimate is based on a variety of factors such as the ongoing software development and the useful life of the software at a point in time. The directors review this assumption annually to ensure the useful life remains appropriate.

**Share based payment transactions**

In line with FRS102 share based payment transactions are accounted for at fair value. The financial statements include share options fair valued as at the date of grant. Managements judgement is require to determine an appropriate fair value in line with accounting standards. In determining the fair value management consider the various valuation models and relevant market conditions.

**Discounting period**

Intercompany loans which are interest free are capitalised as additions to investments in line with FRS 102 based on the discounting period. Judgement is required in determining the number of years of discounting. Management has considered future growth, cashflows and relevant market conditions to account for the discounting period.

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Assure software subscription	6,601,998	5,372,336
Local Authority Share Service (LASS)	92,081	221,699
	<u>6,694,079</u>	<u>5,594,035</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	5,543,500	4,962,246
EU	411,981	-
Rest of the world	738,598	631,789
	<u>6,694,079</u>	<u>5,594,035</u>

**5. Other operating income**

	2021 £	2020 £
Other operating income	15,085	-
Government grants receivable	546,471	265,238
Sundry income	150,816	136,498
	<u>712,372</u>	<u>401,736</u>

**6. Operating loss**

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	43,287	33,422
Amortisation of intangible assets, including goodwill	714,871	521,381
Exchange differences	3,332	20,371
Operating lease rentals	314,941	243,812
	<u>1,076,431</u>	<u>822,986</u>

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**7. Employees**

Staff costs were as follows:

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Wages and salaries	5,660,465	5,091,014	-	-
Social security costs	605,965	506,453	-	-
Cost of defined contribution scheme	385,466	289,697	-	-
	<u>6,651,896</u>	<u>5,887,164</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2021 No.</b>	<i>2020 No.</i>
Admin	10	5
Management	5	8
Sales & Marketing	59	54
Product Engineering	32	25
	<u>106</u>	<u>92</u>

**8. Directors' remuneration**

	<b>2021 £</b>	<i>2020 £</i>
Directors' emoluments	140,000	121,944
	<u>140,000</u>	<u>121,944</u>

**9. Interest receivable**

	<b>2021 £</b>	<i>2020 £</i>
Other interest receivable	11,826	7,776
	<u>11,826</u>	<u>7,776</u>

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**10. Interest payable and similar expenses**

	2021 £	2020 £
Bank interest payable	4,816	17,690
	<u>4,816</u>	<u>17,690</u>

**11. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	(83,297)	(59,453)
	<u>(83,297)</u>	<u>(59,453)</u>
<b>Total current tax</b>	<u>(83,297)</u>	<u>(59,453)</u>
<b>Deferred tax</b>		
Total deferred tax	-	-
	<u>-</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(83,297)</u>	<u>(59,453)</u>

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(2,973,077)</u>	<u>(3,137,144)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(564,885)	(596,057)
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	7,982	8,203
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	13,939	9,353
Non-taxable income	(23,775)	(9,109)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(34,711)	-
Unrelieved loss on foreign subsidiaries	529,504	534,764
Other differences leading to an decrease in the tax charge	(11,351)	(6,607)
<b>Total tax charge for the year</b>	<u><u>(83,297)</u></u>	<u><u>(59,453)</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**12. Intangible assets**

**Group**

	Development expenditure £	Goodwill £	Total £
<b>Cost</b>			
At 1 April 2020	2,326,669	420,063	2,746,732
Additions - internal	1,165,849	-	1,165,849
At 31 March 2021	<u>3,492,518</u>	<u>420,063</u>	<u>3,912,581</u>
<b>Amortisation</b>			
At 1 April 2020	1,472,443	378,055	1,850,498
Charge for the year on owned assets	672,863	42,008	714,871
At 31 March 2021	<u>2,145,306</u>	<u>420,063</u>	<u>2,565,369</u>
<b>Net book value</b>			
At 31 March 2021	<u>1,347,212</u>	<u>-</u>	<u>1,347,212</u>
At 31 March 2020	<u>854,226</u>	<u>42,008</u>	<u>896,234</u>

Intangible assets include software developed by the Group which is used to generate future economic benefit in the Group's ongoing business.

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**13. Tangible fixed assets**

**Group**

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2020	11,601	25,463	160,653	197,717
Additions	-	-	44,538	44,538
Disposals	-	-	(7,053)	(7,053)
At 31 March 2021	<u>11,601</u>	<u>25,463</u>	<u>198,138</u>	<u>235,202</u>
<b>Depreciation</b>				
At 1 April 2020	11,601	15,986	113,537	141,124
Charge for the year on owned assets	-	3,938	39,349	43,287
Disposals	-	-	(5,755)	(5,755)
At 31 March 2021	<u>11,601</u>	<u>19,924</u>	<u>147,131</u>	<u>178,656</u>
<b>Net book value</b>				
At 31 March 2021	<u>-</u>	<u>5,539</u>	<u>51,007</u>	<u>56,546</u>
At 31 March 2020	<u>-</u>	<u>9,477</u>	<u>47,116</u>	<u>56,593</u>

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**14. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2020	4,079,258
Additions	2,066,590
	6,145,848
At 31 March 2021	6,145,848

During the year to 31 March 2021 SHE Software Group Limited acquired additional share capital to a value of £898,897 in SHE Software Limited. During the year the directors reconsidered the discounting period of the intercompany loans and as a result £1,099,058 was added to investment in existing subsidiaries. A £68,635 charge for share options vested in the year has been added to investment in existing subsidiaries.

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
SHE Software Limited	Regent House, 316 Beulah Hill, London, SE19 3HF	Ordinary	100%
SHE Software INC	2140 S Dupont Hwy, Camden, DE 19934	Ordinary	100%
SHE Software PTY	35-37 Gordon Avenue, Geelong West, Vic, 3218	Ordinary	100%
SHE Software NZ	The Tram Stop, Level 1, 809 Mt Eden Road, Mt Eden, Auckland 1024	Ordinary	100%

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**15. Debtors**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	<b>5,289,705</b>	2,649,440
Other debtors	<b>75,124</b>	46,469	-	-
Deferred tax asset	<b>99,044</b>	99,044	-	-
	<b>174,168</b>	145,513	<b>5,289,705</b>	2,649,440
	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
<b>Due within one year</b>				
Trade debtors	<b>1,301,875</b>	1,043,843	-	-
Amounts owed by group undertakings	-	-	-	2,509
Other debtors	<b>19,386</b>	87,085	<b>6,338</b>	22,385
Prepayments and accrued income	<b>793,984</b>	761,061	-	-
Tax recoverable	<b>210,279</b>	149,482	-	-
	<b>2,325,524</b>	2,041,471	<b>6,338</b>	24,894

**16. Cash and cash equivalents**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Cash at bank and in hand	<b>2,969,924</b>	5,077,053	<b>1,214</b>	4,517,708
	<b>2,969,924</b>	5,077,053	<b>1,214</b>	4,517,708

The bank holds a fixed and floating charge over the property and undertaking of SHE Software Limited and SHE Software Inc, subsidiaries of the Group.

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**SHE SOFTWARE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**17. Creditors: Amounts falling due within one year**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Other loans	-	133,460	-	-
Trade creditors	<b>228,281</b>	203,148	-	8,698
Other taxation and social security	<b>406,630</b>	353,031	-	-
Other creditors	<b>25,102</b>	27,214	-	-
Accruals and deferred income	<b>5,156,784</b>	3,903,647	<b>16,068</b>	16,169
	<u><b>5,816,797</b></u>	<u>4,620,500</u>	<u><b>16,068</b></u>	<u>24,867</u>

**18. Creditors: Amounts falling due after more than one year**

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Other loans	-	121,324
Accruals and deferred income	<b>315,415</b>	124,903
	<u><b>315,415</b></u>	<u>246,227</u>

**19. Deferred taxation**

**Group**

	<b>2021 £</b>
At beginning of year	99,044
At end of year	<u><b>99,044</b></u>

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**19. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	<b>Group 2021</b>	<i>Group 2020</i>
	£	£
Accelerated capital allowances	<b>(106,016)</b>	<i>(106,016)</i>
Tax losses carried forward	<b>204,002</b>	<i>204,002</i>
Short term timing differences	<b>1,058</b>	<i>1,058</i>
	<u><b>99,044</b></u>	<u><i>99,044</i></u>

The deferred tax asset recognised above is expected to reverse within the next year. The additional tax asset arising on tax losses in the year of £336,630 net of £20,398 timing differences has not been recognised.

**20. Share capital**

	<b>2021</b>	<i>2020</i>
	£	£
<b>Allotted, called up and fully paid</b>		
49,828 (2020 - 49,828) A Ordinary shares of £0.10 each	<b>4,983</b>	<i>4,983</i>
5,536 (2020 - 5,536) B Ordinary shares of £0.10 each	<b>554</b>	<i>554</i>
2,029 (2020 - 2,029) C Ordinary shares of £0.10 each	<b>203</b>	<i>203</i>
32,820 (2020 - 32,820) D Preferred shares of £0.10 each	<b>3,282</b>	<i>3,282</i>
547 (2020 - 547) E Preferred shares of £0.10 each	<b>55</b>	<i>55</i>
83,876 (2020 - 83,876) Ordinary shares of £0.10 each	<b>8,388</b>	<i>8,388</i>
	<u><b>17,465</b></u>	<u><i>17,465</i></u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings for the company.

The holders of preferred shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings for the company.

On a winding up of the company or on exit the preferred shareholders have a right to receive, in priority to any other classes of shares, a sum equal to the original price of the shares. This is subject to the type of distribution refer to section 4.3 of the Articles of Association for more details.

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**21. Reserves**

**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**Capital redemption reserve**

This reserve is a capital redemption reserve created when the company purchased some of its own shares.

**Other reserves**

This reserve is a share based payment reserve created by the EMI share options charge.

**Profit and loss account**

The profit and loss account represents the accumulated profits and losses of the company less distributions made to shareholders.

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**22. Share based payments.**

The following share options remained outstanding at the year end:

	<b>Weighted average exercise price (pence) 2021</b>	<b>Number 2021</b>	<i>Weighted average exercise price (pence) 2020</i>	<i>Number 2020</i>
Outstanding at the beginning of the year	3725	12,553	4704	10,104
Granted during the year	16484	2,730	11814	3,895
Exercised during the year		-	2000	(613)
Expired during the year	5495	(5,131)	5400	(833)
<b>Outstanding at the end of the year</b>	<b>6903</b>	<b>10,152</b>	<b>3725</b>	<b>12,553</b>

Share options were granted by SHE Software Group Limited to employees of SHE Software Limited, SHE Software NZ and SHE Software Inc.

The option period of the share options ends 10 years after the date of the option agreement. The vesting period varies but is generally within one year from the date of grant. At the year-end 4,441 share options had vested. These options can be exercised at any point subject to the vesting conditions. The options are settled in equity once exercised.

The fair value of the equity-settled share options granted is estimated at the date of grant using entity specific observable market data. During the year the expense recognised within the subsidiary companies SHE Software Limited and SHE Software Inc in respect of share based payment transactions totalled £68,635 (2020: £34,093).

**23. Contingent liabilities**

Government grants received are subject to repayment if certain conditions are not met as per the grant offer documentation. No such conditions have been breached at the balance sheet date.

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**24. Pension commitments**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions totalling £23,769 (2020 - £18,384).

**25. Commitments under operating leases**

At 31 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Not later than 1 year	<b>209,469</b>	124,195
Later than 1 year and not later than 5 years	<b>85,266</b>	152,961
	<u><b>294,735</b></u>	<u>277,156</u>

**26. Related party transactions**

The senior leadership team are considered to be key management personnel of the Group. No other employees are considered to have authority or responsibility for planning, directing and controlling the activities of the Group. Total remuneration including social security and directors fees is £1,069,448 (2020: £920,175).

During the year a loan due from a related party was repaid. The balance due from SHE Software Group Limited at the year end was £Nil (2020 - £254,784).

**27. Post balance sheet events**

On 14 July 2021 the Group and Company acquired a new subsidiary for a consideration of £985,542, settled by a mix of cash and share issue.

**28. Controlling party**

In the opinion of the directors there is no controlling party of the Group and Company.