

Company registration number: 05196435

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED  
31 DECEMBER 2020

SEATTLE SOFTWARE  
LIMITED T/A ORBUS  
SOFTWARE

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BRIGHTER THINKING



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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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## COMPANY INFORMATION

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**Directors**  
Mr A P Donoghue (resigned 31 December 2020)  
Mr S K Lawrence (resigned 31 December 2020)  
Mr T Colbourne (appointed 31 December 2020)  
Mr H Eastwood (appointed 31 December 2020)  
Mr J Warren (appointed 31 December 2020)

**Registered number** 05196435

**Registered office**  
Victoria House  
50-58 Victoria Road  
Farnborough  
Hampshire  
GU14 7PG

**Trading Address**  
4th Floor Offices  
60 Buckingham Palace Road  
London  
SW1W 0RR

**Independent auditors**  
Menzies LLP  
Chartered Accountants & Statutory Auditor  
Victoria House  
50-58 Victoria Road  
Farnborough  
Hampshire  
GU14 7PG

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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### Introduction

This strategic report has been prepared for Seattle Software Limited (the Company) for the year ended December 31, 2019. The Company is a direct subsidiary of Seattle Holdings Limited (the Group).

### Business review

- The Company has continued its strong underlying growth in acquiring new customers and enjoys a world class retention rate for its existing blue-chip customer base. Revenues of £11.9 million were modestly higher than 2018 but were affected by a change in mix of sales from perpetual to subscription, particularly in the fourth quarter. As a result, the Company expects to record strong revenue growth during the coming year.
- Profit for the financial year 2019 of £275k, (2018: £2,515k ) was principally impacted by a) an increase in cost of sales from 18% to 21% as a result of higher hosting and commission costs, which are not expected to flow through to the coming year and from b) the Company's build out its worldwide Support Consultancy capabilities and general organisational infrastructure in anticipation of a period of rapid growth and profitability over the next 5 years.
- During 2019 the Group introduced its brand-new SaaS offering, iServer 365, by way of a 'soft launch' through its Australian affiliate. This new product received instant uptake and acclaim in that market and will be officially launched worldwide in 2020. The success of iServer365 justifies 5 years of intensive in-house development and enables the Company to fully leverage the Microsoft dominance of global corporate platforms in the coming years.
- In 2019, the Orbus Software brand (the collective name for the Group) won Gartner's Global Customer Choice Award for the third year running. Post year end this award was won once again for the fourth year in a row.

### Key performance indicators

Key reporting indicators revolve around annual recurring revenue, churn rates, customer lifetime values and growth rates. With the development of multiple revenue streams, the directors are confident of strong revenue growth and earnings in the coming year.

### Principal risks and uncertainties

Since year end the Covid-19 pandemic has had a huge impact on the global economy. However, management took early decisive action in cutting and containing costs to ensure the Company is well positioned to cope with difficult trading conditions. These costs reductions were achieved without staff redundancies or furloughing. The Company is still expecting strong growth and earnings in 2020.

Brexit is considered a major risk by a range of macro-economic commentators. Management does not envisage a major impact on the Company's sales into the European Market. The Group has established a subsidiary company in Europe to support the sales process for the future.

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### Future developments

The official launch in 2020 of iServer365 as a fully compliant cloud-based SaaS product is a generational step change and keeps the Company at the leading edge in the world of digital transformation.

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

DocuSigned by:

*Hayden Eastwood*

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**Mr H Eastwood**

Director

Date: 28-May-2021

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the 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 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 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 £630,152 (2019 - profit £274,786).

### **Directors**

The directors who served during the year were:

Mr A P Donoghue (resigned 31 December 2020)  
Mr S K Lawrence (resigned 31 December 2020)  
Mr T Colbourne (appointed 31 December 2020)  
Mr H Eastwood (appointed 31 December 2020)  
Mr J Warren (appointed 31 December 2020)

### **Engagement with employees**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to follow a free flow of information and ideas.

### **Matters covered in the strategic report**

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

### Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 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.

DocuSigned by:

*Hayden Eastwood*

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**Mr H Eastwood**

Director

Date: 28-May-2021

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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### Opinion

We have audited the financial statements of Seattle Software Limited T/A Orbus Software (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE (CONTINUED)

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### **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 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.

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

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

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

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

### **Responsibilities of directors**

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

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

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE (CONTINUED)

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### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including The Companies Act and Health and Safety regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - Challenging assumptions and judgements made by management in its significant accounting estimates; andIdentifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area:
  - Lack of segregation of duties in the accounts department.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

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SEATTLE SOFTWARE LIMITED T/A  
ORBUS SOFTWARE

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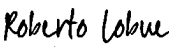
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEATTLE  
SOFTWARE LIMITED T/A ORBUS SOFTWARE (CONTINUED)

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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 Auditors' 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.

DocuSigned by:  
  
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Roberto Lobue FCA (Senior Statutory Auditor)

for and on behalf of  
**Menzies LLP**

Chartered Accountants  
Statutory Auditor

Victoria House  
50-58 Victoria Road  
Farnborough  
Hampshire  
GU14 7PG

Date: 28-May-2021

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	13,262,810	11,955,890
Cost of sales		<b>(2,159,826)</b>	<b>(2,563,471)</b>
<b>Gross profit</b>		<b>11,102,984</b>	<b>9,392,419</b>
Administrative expenses		<b>(8,499,519)</b>	<b>(9,099,267)</b>
Exceptional administrative expenses	12	<b>(4,847,373)</b>	-
Other operating income	5	<b>195,953</b>	-
<b>Operating (loss)/profit</b>	6	<b>(2,047,955)</b>	<b>293,152</b>
Interest payable and expenses	10	<b>(58,665)</b>	<b>(8,124)</b>
<b>(Loss)/profit before tax</b>		<b>(2,106,620)</b>	<b>285,028</b>
Tax on (loss)/profit	11	<b>1,476,468</b>	<b>(10,242)</b>
<b>(Loss)/profit for the financial year</b>		<b>(630,152)</b>	<b>274,786</b>

There was no other comprehensive income for 2020 (2019: £NIL).


The notes on pages 12 to 25 form part of these financial statements.

**SEATTLE SOFTWARE LIMITED T/A  
ORBUS SOFTWARE**  
REGISTERED NUMBER:05196435

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	3,819,435	3,256,847
Tangible assets	14	193,352	154,531
		<u>4,012,787</u>	<u>3,411,378</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	7,271,634	9,509,923
Cash at bank and in hand	16	314,373	196,165
		<u>7,586,007</u>	<u>9,706,088</u>
Creditors: amounts falling due within one year	17	(6,993,056)	(7,215,383)
<b>Net current assets</b>		<u>592,951</u>	<u>2,490,705</u>
<b>Total assets less current liabilities</b>		<u>4,605,738</u>	<u>5,902,083</u>
Creditors: amounts falling due after more than one year	18	-	(526,281)
<b>Provisions for liabilities</b>			
Deferred tax	19	-	(336,568)
		<u>-</u>	<u>(336,568)</u>
<b>Net assets</b>		<u>4,605,738</u>	<u>5,039,234</u>
<b>Capital and reserves</b>			
Called up share capital	20	100	100
Share based payment reserve		-	23,362
Profit and loss account		4,605,638	5,015,772
		<u>4,605,738</u>	<u>5,039,234</u>

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

DocuSigned by:  
  
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**Mr H Eastwood**  
 Director

Date: 28-May-2021

The notes on pages 12 to 25 form part of these financial statements.

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

	Called up share capital	Share-based payment reserve	Profit and loss account	Total equity
	£	£	£	£
<b>At 1 January 2019 (as previously stated)</b>	<b>100</b>	<b>15,919</b>	<b>2,868,456</b>	<b>2,884,475</b>
Prior year adjustment	-	-	1,872,530	1,872,530
<b>At 1 January 2019 (as restated)</b>	<b>100</b>	<b>15,919</b>	<b>4,740,986</b>	<b>4,757,005</b>
Profit for the year	-	-	274,786	274,786
Credit to equity for equity-settled share-based payments	-	7,443	-	7,443
<b>At 1 January 2020</b>	<b>100</b>	<b>23,362</b>	<b>5,015,772</b>	<b>5,039,234</b>
Loss for the year	-	-	(630,152)	(630,152)
Credit to equity for equity-settled share-based payments	-	196,656	-	196,656
Transfer between reserves	-	(220,018)	220,018	-
<b>At 31 December 2020</b>	<b>100</b>	<b>-</b>	<b>4,605,638</b>	<b>4,605,738</b>

The notes on pages 12 to 25 form part of these financial statements.

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

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### 1. General information

Seattle Software Limited is a private limited company, incorporated in the United Kingdom. The address of its registered office and principal place of business are disclosed on the company information page.

### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Seattle Holdings Limited as at 31 December 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 2.3 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.

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

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### 2. Accounting policies (continued)

#### 2.4 Turnover

Turnover is stated net of sales taxes and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Turnover arising from the sale of software is recognised at the point when software licences are dispatched to the customer as this is the point at which the risks and rewards of ownership had been passed to the customer.

Turnover from the delivery of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Turnover arising from the provision of consultancy services is recognised based upon the number of days worked at a rate which has been pre-agreed with the customer.

Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Any unutilised consultancy services are recognised as revenue as and when that service time is considered to have expired in accordance with the terms and conditions agreed upon with the customer. Consultancy services purchased are currently valid for a maximum period of six months.

Other revenue streams such as maintenance and hosting income are recognised on a straight-line basis over the life of the contract.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

#### 2.5 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.

#### 2.6 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.

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

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### 2. Accounting policies (continued)

#### 2.7 Pensions

##### Defined contribution pension plan

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

The contributions are recognised as an expense in 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 Company in independently administered funds.

#### 2.8 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 Company 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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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

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### 2. Accounting policies (continued)

#### 2.9 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.10 Exceptional items

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

#### 2.11 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.

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

The estimated useful lives range as follows:

Development expenditure	-	3	years
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Amortisation will commence once the product comes into use.

#### 2.12 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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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

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### 2. Accounting policies (continued)

#### 2.12 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:

Leasehold improvements	-	30%	Straight line
Motor vehicles	-	33%	Straight line
Fixtures and fittings	-	30%	Straight line
Office furniture	-	33%	Straight line
Computer equipment	-	33%	Straight line

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.

#### 2.13 Financial instruments

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

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

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

#### 2.14 Other operating income

The company falls into the large company scheme for R&D purposes, and as such the economic benefit received from HMRC is accounted for within Other Operating income rather than within the Corporation tax charge.

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

### 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Significant judgements

The company did not make any significant judgements (apart from those involving estimations which are detailed below) that have a significant effect on the amounts recognised in the financial statements.

#### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

Provisions are measured based on management's best estimate of the amount required to settle the obligation at the reporting date, having regard to previous experience and, when appropriate, external advice. Similarly, the company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

### 4. Turnover

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

	2020 £	2019 £
Sale of goods	2,828,078	2,569,837
Rendering of services	10,144,419	9,198,055
Other	290,313	187,998
	<u>13,262,810</u>	<u>11,955,890</u>

Analysis of turnover by location of sales office:

	2020 £	2019 £
United Kingdom	13,262,810	11,955,890
	<u>13,262,810</u>	<u>11,955,890</u>

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

### 5. Other operating income

	2020 £	2019 £
Research and development tax credits	195,953	-
	<u>195,953</u>	<u>-</u>

### 6. Operating (loss)/profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	106,789	83,679
Amortisation of intangible assets	1,275,439	-
Operating lease rentals	299,232	307,473
Exchange differences	93,022	14,617
Profit on sale of tangible fixed assets	(25,026)	-
Audit fees	39,950	39,950
	<u>39,950</u>	<u>39,950</u>

### 7. Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

### 8. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	4,086,491	5,205,052
Social security costs	604,737	700,085
Cost of defined contribution scheme	85,665	81,298
	<u>4,776,893</u>	<u>5,986,435</u>

The above costs exclude amounts capitalised as development expenditure of £980,790 (2019: £622,693)

The average monthly number of employees, including directors, during the year was 75 (2019 - 84).

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# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

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### 9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	411,011	440,353
Company contributions to defined contribution pension schemes	720	660
	<u>411,731</u>	<u>441,013</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £387,011 (2019 - £416,352).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

### 10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	17,569	1,938
Other loan interest payable	40,609	3,142
Finance leases and hire purchase contracts	487	3,044
	<u>58,665</u>	<u>8,124</u>

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

### 11. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	37,231	(538,178)
Adjustments in respect of previous periods	1,837	-
	<u>39,068</u>	<u>(538,178)</u>
<b>Total current tax</b>	<u>39,068</u>	<u>(538,178)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,515,536)	548,420
<b>Total deferred tax</b>	<u>(1,515,536)</u>	<u>548,420</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(1,476,468)</u>	<u>10,242</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(2,106,620)	285,028
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(400,258)	54,155
<b>Effects of:</b>		
Expenses not deductible for tax purposes	942,744	3,190
Capital allowances for year in excess of depreciation	-	3,423
Depreciation of assets ineligible for capital allowances	1,710	-
Changes to the tax rate on deferred tax balances	39,590	(64,520)
Adjustments to tax charge in respect of prior periods	1,837	-
Deduction for qualifying R&D expenditure	37,179	(508,808)
Effect of R&D tax credit claim	-	167,021
Fixed asset difference due to capitalisation of development costs	-	355,781
EMI share scheme deduction	(2,099,270)	-
<b>Total tax charge for the year</b>	<u>(1,476,468)</u>	<u>10,242</u>

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

### 12. Exceptional items

	2020 £	2019 £
Intercompany loan write off	4,547,291	-
Legal and other associated fees	300,082	-
	<u>4,847,373</u>	<u>-</u>

The legal and other associated fees relate to advisor and consultant costs incurred in relation to the sale of the Group in the year, as well as long term planning and strategy costs incurred.

### 13. Intangible assets

	Development costs £
<b>Cost</b>	
At 1 January 2020	3,256,848
Additions	1,838,026
At 31 December 2020	<u>5,094,874</u>
<b>Amortisation</b>	
Charged for the year	1,275,439
At 31 December 2020	<u>1,275,439</u>
<b>Net book value</b>	
At 31 December 2020	<u>3,819,435</u>
At 31 December 2019	<u>3,256,848</u>

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

### 14. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office furniture £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2020	92,362	97,280	36,678	51,278	74,540	352,138
Additions	119,389	-	14,187	43,358	17,316	194,250
Disposals	-	(97,280)	-	-	-	(97,280)
At 31 December 2020	<u>211,751</u>	<u>-</u>	<u>50,865</u>	<u>94,636</u>	<u>91,856</u>	<u>449,108</u>
<b>Depreciation</b>						
At 1 January 2020	61,693	16,213	28,883	43,354	47,464	197,607
Charge for the year on owned assets	30,039	-	6,052	15,835	22,436	74,362
Charge for the year on financed assets	-	32,427	-	-	-	32,427
Disposals	-	(48,640)	-	-	-	(48,640)
At 31 December 2020	<u>91,732</u>	<u>-</u>	<u>34,935</u>	<u>59,189</u>	<u>69,900</u>	<u>255,756</u>
<b>Net book value</b>						
At 31 December 2020	<u>120,019</u>	<u>-</u>	<u>15,930</u>	<u>35,447</u>	<u>21,956</u>	<u>193,352</u>
At 31 December 2019	<u>30,669</u>	<u>81,067</u>	<u>7,795</u>	<u>7,924</u>	<u>27,076</u>	<u>154,531</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	-	81,067
	<u>-</u>	<u>81,067</u>

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

### 15. Debtors

	2020 £	2019 £
Trade debtors	2,336,457	1,956,840
Amounts owed by group undertakings	1,832,336	5,726,397
Other debtors	588,751	755,092
Prepayments and accrued income	1,335,122	1,071,594
Deferred taxation	1,178,968	-
	<u>7,271,634</u>	<u>9,509,923</u>

### 16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	314,373	196,165
Less: bank overdrafts	-	(327,279)
	<u>314,373</u>	<u>(131,114)</u>

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

	2020 £	2019 £
Bank overdrafts	-	327,279
Bank loans	-	229,678
Trade creditors	793,150	1,053,923
Amounts owed to group undertakings	-	148,540
Other taxation and social security	321,891	254,482
Obligations under finance lease and hire purchase contracts	-	12,618
Other creditors	360,531	345,414
Accruals and deferred income	5,517,484	4,843,449
	<u>6,993,056</u>	<u>7,215,383</u>

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

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

	2020 £	2019 £
Bank loans	-	452,615
Net obligations under finance leases and hire purchase contracts	-	73,666
	<u>-</u>	<u>526,281</u>

### 19. Deferred taxation

	2020 £	2019 £
At beginning of year	(336,568)	211,904
Charged to profit or loss	1,515,536	(548,472)
<b>At end of year</b>	<b><u>1,178,968</u></b>	<b><u>(336,568)</u></b>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(745,272)	(563,036)
Tax losses carried forward	1,920,685	225,273
Other timing differences	3,555	1,195
	<u>1,178,968</u>	<u>(336,568)</u>

# SEATTLE SOFTWARE LIMITED T/A ORBUS SOFTWARE

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

### 20. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
100 (2019 - 100) Ordinary shares of £1.00 each	<b>100</b>	<b>100</b>

The Company has one class of Ordinary shares which carry no right to fixed income.

### 21. Pension commitments

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. The pension cost charge represents contributions payable by the Company to the fund and amounted to £85,665 (2019 - £81,298). Contributions totalling £18,701 (2019 - £17,723) were payable to the fund at the balance sheet date.

### 22. Commitments under operating leases

At 31. December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	<b>298,831</b>	<b>387,103</b>
Later than 1 year and not later than 5 years	<b>880,985</b>	<b>1,178,282</b>
	<b>1,179,816</b>	<b>1,565,385</b>

### 23. Controlling and ultimate controlling party

The company is a wholly owned subsidiary undertaking of Seattle Holdings Limited and is included in its consolidated accounts.

Seattle Holdings Limited is the immediate parent entity, whose registered office address is Victoria House, 50-58 Victoria Road, Farnborough, Hampshire, GU14 7PG.

Transform Topco Limited is the ultimate parent entity whose registered office address is 21 Knightsbridge, London, United Kingdom, SW1X 7LY.

The ultimate controlling party is SilverTree Equity II LP, a limited partnership established in Jersey with registration number 3375 whose registered office is at Charter Place, 23-27 Seaton Place, St Helier, Jersey JE1 1JY. SilverTree Equity II LP acts through its general partner SilverTree Equity GP II Limited, a limited company established in Jersey with registration number 132979 whose registered office address is also Charter Place 23- 27, Seaton Place, St Helier, Jersey, JE1 1JY.