

**CHESS TECHNOLOGIES LIMITED**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2021**



Registered No. 06539922

**CHESSTechnologies Limited**  
**06539922**  
**CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 30 April 2021**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Statement of Directors' Responsibilities</b>	<b>4</b>
<b>Independent Auditor's report to the members of Chess Technologies Limited</b>	<b>5 – 8</b>
<b>Profit and Loss Account</b>	<b>9</b>
<b>Statement of Financial Position</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Notes to the Accounts</b>	<b>12 – 23</b>

**CHES TECHNOLOGIES LIMITED**  
**06539922**  
**COMPANY INFORMATION**  
**For the year ended 30 April 2021**

---

**DIRECTORS**

D A Tuddenham  
A S Thomis  
S R Walther

**SECRETARY**

S K Bilkhu

**REGISTERED OFFICE**

1 Waterside Drive  
Theale  
Reading  
RG7 4SW

**REGISTERED NUMBER**

06539922

**AUDITOR**

RSM UK AUDIT LLP  
Statutory Auditor  
The Pinnacle  
170 Midsummer Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 1BP

**CHESSTECHNOLOGIES LIMITED**  
**06539922**  
**STRATEGIC REPORT**  
**For the year ended 30 April 2021**

---

**PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS**

An 82% stake in the Chess Technologies Group was acquired by Cohort PLC on 12th December 2018, with the expectation of the final 18% being acquired during 2021. The principal activity of the company continues to be that of a non trading holding company to its subsidiary. With income only consisting of management fees from its subsidiary companies. The company expects to continue in these activities during the next financial year and the foreseeable future.

**REVIEW OF THE BUSINESS**

The Company received £Nil in management fees (2020: £240,000) from its subsidiary companies in relation to group costs billed to the Holding Company in the first instance. For the current and future years the Ultimate Holding company (Cohort PLC) is charging group costs directly to Chess Dynamics Limited.

**MANAGEMENT CHANGES AND BUSINESS IMPACT**

Following the acquisition of the Chess Group by Cohort PLC, Andy Thomis (Cohort MD) and Simon Walther (Cohort FD) have been appointed as Company Directors of Chess Dynamics Ltd. The existing management team have remained in place, but now report into Cohort PLC.

**PRINCIPAL RISKS AND UNCERTAINTIES**

As an investment holding company, Chess Technologies Limited's risks and uncertainties are in respect of the value of its investments in its 100% subsidiaries, Chess Dynamics Limited, Vision4ce Limited and Chess Dynamics Inc.

**KPI PERFORMANCE**

As an investment holding company, Chess Technologies Limited does not use key performance indicators.

Approved by the Board of Directors on 13 October 2021 and signed by order of the Board.

DocuSigned by:  
*David Tuddenham*  
DA Tuddenham  
Director

**CHESS TECHNOLOGIES LIMITED**  
**06539922**  
**REPORT OF THE DIRECTORS**  
**For the year ended 30 April 2021**

---

The directors of Chess Technologies Limited (Registered Company Number 06539922) (the "Company") present their report and financial statements for the year ended 30 April 2021.

**RESULTS AND DIVIDENDS**

The profit after taxation for the year amounts to £10k (2020: £470k).

The directors do not recommend a payment of a dividend to the ordinary shareholders in respect of the year (2020: £nil).

**CONTRIBUTIONS**

During the year the Company made no political donations or incurred any political expenditure during the year.

**DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT**

The Company has included within the strategic report disclosures relating to principal activities and future developments.

**DIRECTORS**

The directors who have served during the year and up to the date of this report are as follows:

D A Tuddenham (appointed 2 June 2021)  
G P Beall (resigned 2 June 2021)  
A S Thomis  
S R Walther

**STATEMENT IN RESPECT OF INFORMATION PROVIDED TO THE AUDITOR**

So far as each of the directors in office at the time this report is approved are aware:

- i. There is no relevant information of which the auditor is unaware; and
- ii. They have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

RSM UK AUDIT LLP were appointed as auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing their re-appointment was passed by the Board on 15 September 2020.

Approved by the Board of Directors on 13 October 2021 and signed by order of the Board.

DocuSigned by:  
*David Tuddenham*  
A044A3A36089475...  
**D A Tuddenham**  
Director

**CHES TECHNOLOGIES LIMITED**  
**06539922**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**For the year ended 30 April 2021**

---

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESS TECHNOLOGIES LIMITED**  
**For the year ended 30 April 2021**

---

**Opinion**

We have audited the financial statements of Chess Technologies Limited (the 'company') for the year ended 30 April 2021 which comprise Profit and Loss Account, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (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 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESS TECHNOLOGIES LIMITED**

**For the year ended 30 April 2021**

---

We have nothing to report in this regard.

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### **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; or

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESS TECHNOLOGIES LIMITED**  
**For the year ended 30 April 2021**

---

compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101 "Reduced Disclosure Framework", the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and tax provisions.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to information and product security. We performed audit procedures to inquire of management whether the company is compliant with these law and regulations and inspected legal and professional expenditure.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Procedures to address this risk is included but were not limited to:

Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, reviewing accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement and evaluating whether the business rationale (or the lack thereof) of the transactions outside the normal course of business suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHESS TECHNOLOGIES  
LIMITED  
For the year ended 30 April 2021**

---

**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.

RSM UK AUDIT LLP

Richard Bartlett-Rawlings (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
The Pinnacle,  
170 Midsummer Boulevard,  
Milton Keynes,  
Buckinghamshire,  
MK9 1BP  
18 October 2021

**CHESS TECHNOLOGIES LIMITED**  
**06539922**  
**PROFIT AND LOSS ACCOUNT**  
**For the year ended 30 April 2021**

---

	Notes	2021 £000	2020 £000
Administrative expenses		(200)	(223)
Other operating income	4	-	240
<b>OPERATING (LOSS)/PROFIT</b>		<b>(200)</b>	<b>17</b>
Interest receivable	6	214	559
<b>PROFIT BEFORE TAXATION</b>		<b>14</b>	<b>576</b>
Tax on profit	8	(4)	(106)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>10</b>	<b>470</b>

All results relate to continuing activities.

There was no turnover in either the current nor the prior year.

There was no other comprehensive income in either the current or prior year.

The accompanying notes on pages 12 to 23 form part of the financial statements.

**CHESS TECHNOLOGIES LIMITED**  
**06539922**  
**STATEMENT OF FINANCIAL POSITION**  
**For the year ended 30 April 2021**

	Notes	2021 £000	2020 £000
<b>FIXED ASSETS</b>			
Investments	9	3,195	3,127
<b>CURRENT ASSETS</b>			
Debtors	10	3,894	5,184
Cash and cash equivalents	11	1,270	43
		<u>5,164</u>	<u>5,227</u>
<b>Creditors: amounts falling due within one year</b>	12	<b>(2,506)</b>	<b>(90)</b>
<b>NET CURRENT ASSETS</b>		<b>2,658</b>	<b>5,137</b>
<b>Total assets less current liabilities</b>		<u><b>5,853</b></u>	<u><b>8,264</b></u>
Creditors: amounts falling due after one year	13	-	(2,489)
<b>NET ASSETS</b>		<u><b>5,853</b></u>	<u><b>5,775</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	2	2
Share premium account	15	2,349	2,349
Other reserves	15	90	90
Capital Contribution	15	68	-
Merger reserve	15	2,220	2,220
Profit and loss account	15	1,124	1,114
<b>SHAREHOLDERS' FUNDS</b>		<u><b>5,853</b></u>	<u><b>5,775</b></u>

The accompanying notes on pages 12 to 23 form part of the financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 13 October 2021.

Signed on behalf of the Board of Directors

DocuSigned by:

David Tuddenham

PO44A3A36089475:.....

D A Tuddenham

Director

(Company No. 06539922)

**CHES TECHNOLOGIES LIMITED**  
**06539922**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 April 2021**

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Other reserves £000</b>	<b>Merger reserve £000</b>	<b>Capital Contribution £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
At 1 May 2019	2	2,349	90	2,220	-	644	5,305
<b>Total comprehensive income for the period</b>	-	-	-	-	-	470	470
<b>At 30 April 2020</b>	<b>2</b>	<b>2,349</b>	<b>90</b>	<b>2,220</b>	<b>-</b>	<b>1,114</b>	<b>5,775</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	-	10	10
IFRS 2 adjustments for charge in respect of share-based payments	-	-	-	-	68	-	68
<b>At 30 April 2021</b>	<b>2</b>	<b>2,349</b>	<b>90</b>	<b>2,220</b>	<b>68</b>	<b>1,124</b>	<b>5,853</b>

The accompanying notes on pages 12 to 23 form part of the financial statements.

**CHESSTECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**1 GENERAL INFORMATION**

Chess Technologies (the 'Company') is a private limited company, limited by shares, incorporated, domiciled and registered in England and Wales. The address of the registered office is:

1 Waterside Drive,  
Theale, Reading,  
England,  
RG7 4SW.

The Registration number (06539922) can be found on the company information page.

The principal activities of the Company can be found within the strategic report (page 2).

**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 101: Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements the Company applies the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("IFRS") amended where necessary in order to comply with the Companies Act 2006

Under FRS 101, the Company has chosen to apply the recognition and measurement provisions of International Accounting Standard ('IAS') 27 'Separate Financial Statements', as endorsed by the European Union ('EU').

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The consolidated financial statements of Cohort Plc (the 'Group') are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Cohort Plc, 2 Waterside Drive, Arlington Business Park, Theale, Reading RG7 4SW. As such the Company is a member of a group, where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements under FRS 101 available in respect of:

- The requirements of IAS 7 Statement of Cash Flows.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - o 10(d) (statement of cash flows);
  - o 16 (statement of compliance with all IFRS);

**CHES TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**2. ACCOUNTING POLICIES** *(continued)*

**2.2 Financial reporting standard 101 - reduced disclosure exemptions** *(continued)*

- 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
  - The requirements in IAS 24 Related Party Disclosures, to disclose related party transactions entered into between two or more members of the Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
  - The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements, to present comparative information, paragraph 79(a)(iv) of IAS 1.
  - Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
  - Certain disclosures required of IFRS 13 Fair Value Measurement, paragraph 91 to 99 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

**2.3 Going concern**

The Company has net current assets of £2,658k as at 30 April 2021 (2020: £5,137k). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the Chess Technologies Group, which includes the Company, for a period of at least 12 months from the date of approval of these financial statements. These indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through the Group's overdraft facility, to meet its liabilities as they fall due for that period. This is a facility with NatWest and Lloyds for £40m which is due for renewal in November 2022. At 30 April 2021 £29.9m of this facility was drawn on leaving £10.1m available to the Group, of which the Company is able to participate for overdraft purposes.

The Company's forecasts and projections consider the reasonably possible changes in trading performance (including any impact of COVID-19). All outcomes show that the Company should be able to operate within the level of its current facilities.

**CHESS TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**2. ACCOUNTING POLICIES** *(continued)*

**2.3 Going concern** *(continued)*

Those forecasts are dependent on the Company's ultimate parent company, Cohort Plc not seeking repayment of the amounts currently due to the group, which at 30 April 2021 amounted to £2,488,983, and providing additional financial support during that period.

Cohort Plc has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**2.4 Foreign currency translation**

The financial statements of the Company are presented in the currency of the primary economic environment in which it operates (its functional currency), which is currently sterling.

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account.

**2.5 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

**2.6 Finance costs**

Finance costs are charged to the Profit and Loss Account 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.

**CHESS TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**2. ACCOUNTING POLICIES** *(continued)*

**2.7 Taxation**

Tax is recognised in the Profit and Loss Account, 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 in the countries where the Company operates and generates income.

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.9 Financial instruments**

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

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

***Basic financial assets***

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

**CHESSTECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**2. ACCOUNTING POLICIES** *(continued)*

**2.9 Financial instruments** *(continued)*

***Other financial assets***

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

***Impairment of financial assets***

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

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

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

***Derecognition of financial assets***

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

***Classification of financial liabilities***

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

**CHES TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**2. ACCOUNTING POLICIES** *(continued)*

**2.9 Financial instruments** *(continued)*

***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

***Other financial liabilities***

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

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

***Derecognition of financial liabilities***

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

**CHESST TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**3. JUDGMENTS 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 judgements (apart from those involving estimations) that management have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

*Impairment of investments*

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

**4. OTHER OPERATING INCOME**

	<b>2021</b>	2020
	<b>£000</b>	£000
Fees receivable	-	240
	<u>-</u>	<u>240</u>

**5. AUDITORS' REMUNERATION**

	<b>2021</b>	2020
	<b>£000</b>	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9	8
	<u>9</u>	<u>8</u>

**CHESS TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

**6. INTEREST RECEIVABLE**

	<b>2021</b>	2020
	<b>£000</b>	£000
Other interest receivable	<b>214</b>	559
	<b>214</b>	559

**7. DIRECTORS AND EMPLOYEES**

The directors did not receive any remuneration from the company in respect of their services during the year (2020: £nil). Certain directors who served during the year are also directors of the parent company or a fellow group company and are remunerated by those companies. Although they do receive remuneration from those companies in respect of their services to various group companies, including this company, any allocation would be notional. Therefore, their remuneration has been disclosed in the financial statements of the relevant company from which remuneration is received.

**8. TAXATION**

Recognised in the profit and loss account:

	<b>2021</b>	2020
	<b>£000</b>	£000
UK corporation tax:		
Current tax on income for the period	<b>3</b>	<b>109</b>
Adjustments in respect of prior periods	<b>1</b>	<b>(3)</b>
Total current tax	<b>4</b>	<b>106</b>
Tax on profit	<b>4</b>	106

Reconciliation of effective tax rate:

	<b>2021</b>	2020
	<b>£000</b>	£000
Profit for the year	<b>10</b>	<b>470</b>
Total tax charge	<b>4</b>	<b>106</b>
Profit before taxation	<b>14</b>	<b>576</b>
Tax using the UK corporation tax rate of 19% (2020: 19%)	<b>3</b>	<b>109</b>
Adjustment in relation to prior years	<b>1</b>	<b>(3)</b>
Total tax expense	<b>4</b>	<b>106</b>

**CHES TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**8. TAXATION** *(continued)*

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Following this, in the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 23% (from the current 19% rate).

Deferred taxes at the balance sheet date have been measured using these enacted tax rates of 19% and reflected in these financial statements.

**9. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £000</b>
Cost at 1 May 2020	3,127
Additions from share based payments	68
<b>At 30 April 2021</b>	<b><u>3,195</u></b>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Nature of business</b>	<b>Registered office</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>
Chess Dynamics Limited	Systems development	Quadrant House, North Heath Business Park, North Heath Lane, Horsham, West Sussex, RH12 5QE	UK	Ordinary	100%
Vision4ce Limited	Systems development	Unit 4, Wokingham Commercial Centre, Molly Millars Lane, Wokingham, RG41 2RF	UK	Ordinary	100%
Chess Dynamics Inc	Systems development	7060 South Tuscon Way A, Centennial, CO 80112	USA	Ordinary	100%

**CHESS TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**10. DEBTORS**

	2021	2020
	£000	£000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	-	1,786
	-	1,786
<b>Due within one year</b>		
Amounts owed by group undertakings	3,889	3,354
Other debtors	-	14
Prepayments and accrued income	5	30
	<u>3,894</u>	<u>5,184</u>

Amounts owed by group undertakings are amounts due by Chess Dynamics Limited. The amount due at 30 April 2021 includes £2,000k unsecured, interest free, with a maturity date of 1 May 2021. The remaining balance, £1,889k, previously incurred interest at 1% up to 1 May 2020. After this date, the balance is interest free, with no fixed date of repayment and are repayable on demand.

**11. CASH AND CASH EQUIVALENTS**

	2021	2020
	£000	£000
Cash at bank and in hand	1,270	43
	<u>1,270</u>	<u>43</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£000	£000
Trade creditors	1	-
Corporation tax	1	56
Amounts owed to group undertakings	2,489	-
Accruals and deferred income	9	34
Other taxation and social security	6	-
	<u>2,506</u>	<u>90</u>

Amounts owed to group undertakings are with Cohort Plc. The amounts are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**CHES TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2021</b>	2020
	<b>£000</b>	£000
Amounts owed to group undertakings	-	2,489

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**14. CALLED UP SHARE CAPITAL**

	<b>2021</b>	2020
	<b>£</b>	£
<b>Allotted, called up and fully paid</b>		
44,231 (2020 - 44,231) Preferred ordinary shares of £0.01000 each	<b>442.31</b>	442.31
15,625 (2020 - 15,625) B Ordinary shares of £0.01000 each	<b>156.25</b>	156.25
140,000 (2020 - 140,000) D Ordinary shares of £0.00001 each	<b>1.40</b>	1.40
123,840 (2020 - 123,840) Ordinary shares of £0.01000 each	<b>1,238.4</b>	1,238.4
	<b>1,838.36</b>	1,838.36

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

**CHESS TECHNOLOGIES LIMITED**  
**06539922**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 30 April 2021**

---

**15. RESERVES**

**Share premium account**

Represents the amount paid for shares above par value.

**Other reserves**

Represents the total fair value of options in respect of the share options granted to members and employees of a subsidiary company.

**Merger reserve**

Represents the difference between consideration and the fair value of assets purchased in a merger.

**Profit and loss account**

This reserve records the retained profits and accumulated losses.

**Capital contribution account**

Capital contribution account represents the cumulative shared-based payment charged to the reserves less the transfer to the profit and loss account of the vesting of options.

**16. CONTINGENT LIABILITIES AND GUARANTEES**

The Company, as part of Cohort plc's group banking and offset arrangements, is also a guarantor for £50,643,000 (2020: £43,152,000) of bank borrowings and overdraft drawn by its parent along with a further £13,693,000 (2020: £594,000) in respect of bank guarantees drawn by fellow subsidiary undertakings.

**17. RELATED PARTY TRANSACTIONS**

During the year the company incurred fees of £33,638 (2020: £243,520) for services received from its ultimate parent undertaking, Cohort Plc.

At 30 April 2021 the company was owed £3,888,839 by Chess Dynamics Limited (2020: £5,139,503). Included in these amounts is a long term loan of £Nil (2020: £1,786,000) and on which interest is charged at 0% (2020: 0%).

**18. ULTIMATE PARENT COMPANY**

The immediate parent undertaking and ultimate controlling party is Cohort Plc.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Cohort Plc. Copies of the Cohort Plc consolidated financial statements can be obtained from the Company Secretary at 1 Waterside Drive, Arlington Business Park, Theale, Reading, RG7 4SW.