Registered number: 05558586

Equisoft Limited

Financial Statements
For the year ending 31 December 2023

CONTENTS

COMPANY INFORMATION

Directors	B Cosgrove S Michaud (resigned 1 August 2023) K Okell (resigned 22 April 2023) L Romero
Registered office	Bath Quays South 1 Foundry Lane Bath BA2 3GZ
Registered number	05558586
Auditor	Forvis Mazars LLP 90 Victoria St Bristol BS1 6DP United Kingdom

The directors present their strategic report for the year ended 31 December 2023.

Principal activity

Established in Bath in 2005, the Equisoft Limited mission is to make Financial Services faster by providing smarter systems and superior services.

Our independent consultants help clients improve operational efficiency and financial returns via a combination of robust models, technology expertise and market insight.

Where we see complex, repeated challenges across a sector, our software development team delivers innovative and highly automated solutions ranging from portfolio transfers to fund trading to pension payment.

Fair review of the business

Equisoft Limited continues to grow within the Equisoft group and is beginning to enjoy some of the synergy benefits from deeper integration. The consulting team is working with several other Equisoft regions, helping them win and implement business and growing revenues in the process.

The Company's key financial and other performance indicators during the year were as follows:

	2023	2022	Change
	£'000	£'000	%
Revenue	22,792	21,950	4
Operating profit	3,785	2,366	60
Profit after tax	3,010	2,112	42
Shareholder's funds	7,537	4,527	66
Current assets as a % of current liabilities	199%	149%	33
Average number of employees	122	118	3

The financial results for the year can be found on page 9 and reflect an excellent year for Equisoft Limited. Turnover grew to almost £22.8m with an EBITDA of £4.9m. Our software revenues continue to grow steadily, and the consulting business benefitted from strong demand both in the UK and overseas.

Principal risks and uncertainties

Key financial and operational risks are continuously monitored across the business by the senior management team and reported to the Board on a regular basis. The most significant of these in the current reporting period are detailed below.

Financial instrument risks

Credit risk: the management of credit risk is achieved by monitoring the creditworthiness of our customers against established terms of credit and credit limits.

Liquidity risk: the liquidity of the company is monitored against each cash flow forecasts which are regularly revised and assessed for risk. The company operates within very conservative working capital management policies to ensure that it has sufficient funds available to operate.

Pension Dashboard

There is an implementation bottleneck risk as big pension schemes rush to meet the same deadline but we are addressing this with standardised implementation services.

Due Diligence

Environmental and social concerns are high on the agenda for many of our large corporate clients and that is manifested in the requirements we see in the many procurement exercises we participate in. As a result, Equisoft Limited has taken a number of practical actions, improved reporting and further strengthened policies and procedures.

Approved by the Board on 26 September 2024 and signed on its behalf by

Romero

Luis Romero

Director

The directors present their report and the audited financial statements for the year ended 31 December 2023.

Results and dividends

The results for the year are set out on page 9. No dividends were declared and paid (2022: £nil) during the year.

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report on pages 2-3. These matters relate to the principal activity and financial risks.

Future developments

The directors do not foresee any material changes in the continuing operations of the business.

Directors of the company

The directors who held office during the period were as follows:

B Cosgrove

S Michaud (resigned 1 August 2023)

K Okell (resigned 22 April 2023)

L Romero

Directors' indemnity

The directors confirm that no qualifying third party indemnity provision in favour of any directors of the Company, as defined by Section 236 of the Companies Act 2006, either by the Company or by any other party, was in force at the time of the signing of the report, and that no such provision had been in force at any time in the financial year.

Events after the balance sheet date

No significant events affecting the Company since the end of the financial year were noted.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with s418 of the Companies Act 2006.

Approved by the Board on 26 September 2024 and signed on its behalf by:

LRomero

Luis Romero

Director

Equisoft Limited

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. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs). 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 estimates that are reasonable and prudent;
- state whether UK adopted International Financial Reporting Standards (IFRSs) have been followed, subject to any material departures disclosed and explained in the financial statements; 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 which 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.

Independent auditor's report to the members of Equisoft Limited

Opinion

We have audited the financial statements of Equisoft Limited (the 'company') for the year ended 31 December 2023 which comprise Statement of Profit and Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 period 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.

Independent auditor's report to the members of Equisoft Limited (continued)

Matters on which we are required to report by exception

In 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 5, 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 the financial statements.

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

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and data protection regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

Independent auditor's report to the members of Equisoft Limited (continued)

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the capitalisation of internally developed software, impairment of non-financial assets and allocation if transaction price to performance obligations, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. This description forms part of our auditor's report.

Use of the audit 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.

Jon Marchant (Sep 27, 2024 10:02 GMT+1)
Jonathan Marchant (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria St,
Redcliffe,
Bristol BS1 6DP,
Date:

Equisoft Limited
Statement of Profit and Comprehensive Income
For the year ended 31 December 2023
(in thousands of Pounds Sterling)

	Notes	2023	2022
		£	£
Revenue			
Professional services		17,756	17,508
Subscription and support		5,036	4,442
	3	22,792	21,950
Cost of sales			
Professional services		12,044	11,980
Subscription and support		1,086	1,013
		13,130	12,993
Gross profit		9,662	8,957
Operating expenses			
Research and development		957	681
Sales and marketing		1,849	1,418
General and administrative		1,972	3,918
Amortisation and depreciation	9/10/11	1,099	574
		5,877	6,591
Operating profit		3,785	2,366
Net finance costs	7	77	32
Unrealised foreign currency loss		1	–
Profit before tax		3,707	2,334
Income tax expense	8	697	222
Net profit and comprehensive income for the year		3,010	2,112

The notes on pages 13 to 31 form part of the financial statements.

Equisoft Limited
Statement of Financial Position
As at 31 December 2023
(in thousands of Pounds Sterling)

	Notes	2023	2022
		£	£
Current assets			
Cash		786	601
Trade and other receivables	12	7,283	4,386
Income tax asset		95	241
Work in progress		1,466	1,252
Prepaid expenses		171	225
Current deposits		8	8
		9,809	6,713
Non-current assets			
Property and equipment	9	783	949
Right of use assets	10	2,235	2,546
Intangible assets		2,614	1,701
Other non-current assets		1	2
		5,633	5,198
Total assets		15,442	11,911
Current liabilities			
Trade and other payables	13	2,115	1,655
Deferred revenues		2,566	2,679
Current portion of lease liabilities	10	249	170
		4,930	4,504
Non current liabilities			
Deferred tax liabilities	8	762	418
Lease liabilities	10	2,083	2,332
Other non-current liabilities		130	130
Total liabilities		7,905	7,384
Shareholders' equity			
Share capital	17	–	–
Capital contribution reserve		147	147
Retained earnings		7,390	4,380
Total shareholders' equity		7,537	4,527
Total of liabilities and shareholders' equity		15,442	11,911

The notes on pages 13 to 31 form part of the financial statements. These financial statements were approved by the Board of Directors on 26 September 2024 and were signed on its behalf by:

Romero

Luis Romero, Director

Company registered number: 05558586

Equisoft Limited
Statement of Changes in Equity
For the year ended 31 December 2023
(In thousands of Pounds sterling)

	Share capital	Capital Contribution reserve	Retained earnings	Total
	£	£	£	£
Balance as at 1 January 2023	–	147	4,380	4,527
Net profit for the year	–	–	3,010	3,010
Balance as at 31 December 2023	–	147	7,390	7,537

	Share capital	Capital contribution reserve	Retained earnings	Total
	£	£	£	£
Balance as at 1 January 2022	–	147	2,270	2,417
Net profit for the period	–	–	2,110	2,110
Balance as at 31 December 2022	–	147	4,380	4,527

The notes on pages 13 to 31 form part of the financial statements.

Equisoft Limited
Statement of Cash Flows
For the year ended 31 December 2023
(In thousands of Pounds sterling)

	Notes	2023	2022
		£	£
OPERATING ACTIVITIES			
Net profit		3,010	2,112
Adjustments for:			
Current income tax expense		697	222
Net finance costs		77	32
Items not affecting cash	18	1,099	573
Interest received		2	4
Income taxes paid		(207)	(439)
Loss on disposal of PPE		–	9
Change in operating working capital items	18	(2,709)	(874)
Cash flows from operating activities		1,969	1,639
INVESTING ACTIVITIES			
Purchase of property and equipment		(29)	(983)
Development of internally generated intangible assets		(1,553)	(1,098)
Cost to contract office lease		–	(68)
Cash flows used in investing activities		(1,582)	(2,149)
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(202)	(4)
Cash flows used in financing activities		(202)	(4)
Net increase (decrease) in cash		185	(514)
Cash beginning of year		601	1,115
Cash end of year		786	601

1 BASIS OF PREPERATION

1.1 Statement of compliance

Equisoft Limited (hereafter, the "Company") is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales. Equisoft Limited is a specialist supplier of Software-as-a-Service ("SaaS") solutions and professional services to the investment and insurance sectors.

The address of the registered office is Bath Quays South, 1 Foundry Lane, Bath, United Kingdom, BA2 3GZ. The registered number is 05558586.

The financial statements were approved and authorised for issue by the Board of Directors on 26 September 2024.

1.2 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in accordance with the applicable provisions of the Companies Act 2006.

1.3 Going concern

The Company has access to considerable financial resources together with long standing relationships with key clients and suppliers. The directors have prepared detailed budgets and financial forecasts. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. After making inquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to meet its obligations as they fall due for the foreseeable future being a period of at least twelve months from signing of these financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2 ACCOUNTING POLICIES

2.1 Basis of measurement

The financial statements have been prepared using the historical cost method, except for where IFRS requires recognition at fair value for which the accounting treatment is described in note 2.4.

2.2 Foreign currency translation

The financial statements are presented in pounds sterling, which is the functional currency of the Company. Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.3 Revenue recognition

Revenue recognition, work in progress and deferred revenue

The Company's principal sources of revenue are software subscription and support revenue from its Software-as-a-Service ("SaaS") solutions and professional services including management consulting services to the financial services industry.

Revenue is recognized when or as the Company satisfies a performance obligation by transferring a promise of goods or services to the customer and are measured at the amount of consideration the Company expects to be entitled to receive, including variable consideration such as discounts and service-level penalties. Variable consideration is estimated using either the expected value method or most likely amount method and is included only to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur.

The Company's arrangements with customers often include several products or services. When contracts include several performance obligations, the total transaction price is determined at the inception of the contract and allocated to each performance obligation based on their relative stand-alone selling price.

Amounts recognized as revenue in excess of billings are classified as work in progress. Amounts billed or received in advance of the satisfaction of a performance obligation are classified as deferred revenue.

The revenue recognition method applied for each performance obligation is described below.

Professional services

Professional services are mostly provided for implementation and configuration of software solutions and management consulting services. Revenue from professional services under time and material arrangements is recognized over time as the services are rendered while revenue from professional services under fixed-price contracts is recognized using the percentage of completion method. Revenue related to reimbursable costs is recognized over time as reimbursable costs are incurred.

Subscription

The Company's subscription revenue services allow customers to access and use the Company's software solutions over the contract period. The services are provided on a subscription basis and are generally recognized over time as the services are provided at the contractual billings, which corresponds with the value provided to the client, unless there is a better measure of performance or delivery.

2.4 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 Revenue from contracts with customers, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into one of the following categories:

- At amortized cost;
- At fair value through profit or loss (FVTPL);
- At fair value through other comprehensive income (FVOCI).

In the periods presented, the Company does not have any financial assets categorized as FVTPL or FVOCI.

The classification is determined by both:

- The entity's business model for managing financial assets;
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within operating expenses.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, they are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Cash, trade and other receivables are included in this category of financial instruments.

Impairment of financial assets

Financial assets classified at amortized cost are subject to impairment. For trade accounts receivable and work in progress, the Company applies the simplified approach to measure expected credit losses, which requires lifetime expected loss allowance to be recorded upon initial recognition of the financial assets.

Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables and lease liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designates a financial liability at FVTPL.

Financial liabilities are subsequently measured at amortized cost using the effective interest method.

Interest expense is included within net finance costs.

2.5 Intangible assets

Intangible assets consist of internally generated software. Internally generated software are capitalised when they meet specific capitalisation criteria related to technical, market and financial feasibility. Software and customer relationships acquired through business combinations are initially recorded at their fair value based on the present value of expected future cash flows, which involves estimates, such as the forecasting of future cash flows and discount rates.

The Company amortises its intangible assets using the straight-line method over their estimated useful lives.

	Useful life
Internally generated software	5 years

Any capitalised internally generated software that is not yet complete is not amortised but is subject to impairment testing as described in note 2.7.

Amortisation has been included in amortisation and depreciation in the statements of profit and comprehensive income.

2.6 Property and equipment

Leasehold improvements, IT equipment, furniture and fixtures and other items of property and equipment are initially measured at cost and are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company amortizes its tangible assets using the straight-line method over their estimated useful lives. The Company reviews the estimated residual values and expected useful lives of assets at least annually.

	Useful Life
Fixtures and fittings	4 years
Office equipment	3 years
Leasehold improvements	Lesser of the lease term and useful lives

2.7 Impairment test for intangible assets

Timing of impairment testing

The carrying values of property and equipment, right-of-use assets and intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may be impaired. The Company assesses at each reporting date whether any such events or changes in circumstances exist. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units – CGUs). The carrying values of intangible assets not available for use are tested for impairment annually as at 31 December.

Impairment of property and equipment, right-of use assets and intangible assets

Property and equipment, intangible assets and right-of use assets are reviewed for impairment when events or circumstances indicate that carrying value may not be recoverable. The Company assesses at each reporting date whether any such events or changes in circumstances exist. If such an indication exists, the Company estimates the recoverable amount of the asset or CGU to which the asset relates. If any assets or CGU are determined to be impaired, the Company writes them down to their recoverable amount, the higher of value in use and fair value less costs of disposal, when this is less than the carrying value. The Company evaluates impairment losses for potential reversals when events or circumstances require such consideration.

2.8 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred and current taxes not recognized in other comprehensive income or directly in equity.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Calculation of current tax and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. The carrying amounts of deferred tax are reviewed at the end of each reporting period and adjusted if needed.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are provided for in full, although IAS 12 specifies limited exemptions. As a result of these exemptions the Company does not recognize deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries. The Company does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.9 Leases

The Company as a lessee

The Company makes the use of leasing arrangements principally for the provision of office spaces. The rental contract for the office spaces is negotiated for a term of 10 years. The lease contains a variety of different terms and conditions such as escalation clauses.

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability in relation to a lease on the date on which the underlying asset is available for use by the Company (hereafter "the commencement date").

The right-of-use asset is initially measured at cost, which includes the initial measurement of the lease liability, adjusted for lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of any cost to dismantle and remove the underlying asset, less any lease inducements received.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the useful life of the right-of-use asset or the end of the lease term. The Company assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of future lease payments unpaid at that date. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a specific rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The Company has elected not to account separately for non-lease components for office space (buildings) leases. As such, lease payments and obligations include fixed payments relating to lease and non-lease components. The interest charges for lease liabilities is recognized in net finance cost in the statement of profit according to the effective interest rate method.

Lease liabilities are remeasured when there is a change in the future lease payments resulting from a change in an index or rate, or when the Company changes its assessment of an extension or cancellation. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or in profit or loss if the right-of-use asset is already reduced to zero.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. leases with a term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of IT equipment that are considered to be low value. Lease payments relating to lease agreements with a term of 12 months or less are recognized on a straight-line basis as an expense in profit or loss.

2.10 Government grants

The Company is eligible for government grants, including tax relief granted by tax authorities for research and development (R&D) for its innovative projects in science and technology. The Company follows the income approach to account for such grants whereby government grants are recorded when there is a reasonable assurance that the grants will be received and that the Company will comply with all relevant conditions. Under this method, government grants related to operating expenditures are recorded as a reduction of the related expenses and recognized in the period in which the related expenditures are charged to earnings. Government grants related to capital expenditures are recorded as a reduction of the cost of the related assets. The government grants recorded are based on management's best estimates of amounts expected to be received and are subject to audit by the taxation authorities.

2.11 Adoption of new and revised standards

Standards, amendments and interpretations in issue but not yet effective

Standards, amendments to and interpretation of existing standards that are not yet effective and have not been adopted early by the Company:

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

2.12 Use of estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Significant management judgements

The following are management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements:

i. Allocation of transaction price to performance obligations

Contracts with customers often include promises to deliver multiple products and services. Significant judgement may be required in determining whether such bundled products and services are considered (i) distinct performance obligations that should be separately recognized, or (ii) non-distinct and therefore should be combined with other goods or a service and recognized as a combined unit of accounting and in allocating the transaction price between the performance obligations.

The determination of the standalone selling prices ("SSP") for distinct performance obligations can also require judgement and estimates. The Company uses a single amount to estimate SSP for bundled items such as SaaS subscription and self-managed licenses and maintenance in subscription arrangements that are not sold separately. The Company uses a range of amounts to estimate SSP when it sells each of the products and services separately and determines whether there is a discount that needs to be allocated based on the relative SSP of the various products and services. In general, SSP for maintenance and support bundled in self-managed license arrangements is established as a percentage of the license fee as supported by third party evidence and internal analysis of similar vendor contracts. SSP for subscriptions and professional services is established based on observable prices for the same or similar services when sold separately.

ii. Recognition of deferred income tax assets

Management continually evaluates the likelihood that its deferred tax could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgement in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

iii. Capitalization of internally developed software

Distinguishing the research and development phases of a new software development project and determining whether the recognition requirements for the capitalization of development costs are met require judgement. After capitalization, management monitors whether the capitalization requirements continue to be met and whether there are any indicators that capitalizable costs may be impaired.

Significant estimates

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

i. Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In 2023, the Company did not recognize an impairment loss.

(In thousands of Pounds sterling)

ii. Intangible assets

Evaluations related to measuring the recoverability of intangible assets with a finite life that are not ready for use for impairment testing purposes are based on material estimates and assumptions relating to future cash inflows and outflows, discount rates, unlimited growth rate and the useful life of the intangible assets.

For the year ended 31 December 2023 the Company did not recognize any expense related to impairment losses.

3 REVENUE

The Company's contracts are for delivery of services within the 12 months following a contract's signature; therefore, the Company uses the practical expedient allowed in Paragraph 121(a) of IFRS 15. Following Paragraph 121(a), the Company does not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as at the end of the reporting period.

The activities of the Company during the year were principally related to specialist software development. The directors believe that such activities comprise a unified class of business which cannot be further analysed into segments.

	2023	2022
Reconciliation of deferred revenues	£	£
Deferred revenues, beginning of year	2,679	2,346
Revenue recognized during the year	(4,997)	(3,460)
Additions during the year	4,884	3,793
Deferred revenues, end of year	2,566	2,679

	2023	2022
Reconciliation of work in progress	£	£
Work in progress, beginning of year	1,252	1,219
Revenue recognized during the year	(1,252)	(1,219)
Additions during the year	1,466	1,252
Work in progress, end of year	1,466	1,252

Revenue from customers

An analysis of revenue by geographical market is given below:

	2023	2022
Europe	£	£
United Kingdom	21,914	21,111
Ireland	482	358
Others	14	51
Other	382	430
	22,792	21,950

The revenue information above is based on the locations of the customers.

The following table presents revenue from individual customers each representing more than 10% of revenue per year.

(In thousands of Pounds sterling)

	2023	2022
Number of customers above 10%	2	2
Total revenue from customers above 10%	£7,931	£6,586
Percentage of total revenue from customers above 10%	35%	29%

4 AUDITOR'S REMUNERATION

	2023	2022
	£	£
Audit of these financial statements	50	40

5 STAFF COSTS

The average number of persons employed by the Company during the year (including Directors), analysed by category was as follows:

	2023	2022
Business Systems	47	50
Consulting	65	54
Shared Services	10	14
	122	118

The aggregate payroll costs of these persons were as follows:	2023	2022
	£	£
Wages and salaries	9,142	9,155
Social security costs	1,018	1,072
Company contributions to defined contribution pension scheme	693	607
Other employee expense	45	36
	10,898	10,870

(In thousands of Pounds sterling)

6 DIRECTORS' REMUNERATION

	2023	2022
	£	£
Remuneration	33	333
Company contributions to defined contribution pension scheme	1	5
	34	338

Above amounts for remuneration include the following in respect of the highest paid director:

	2023	2022
	£	£
Remuneration	33	247
Company contributions to defined contribution pension scheme	1	5
	34	252

7 FINANCE EXPENSE

	2023	2022
	£	£
Interest expense for the lease liability	79	36
Interest income from cash	(2)	(4)
Net finance costs	77	32

8 INCOME TAXES

8.1 Reconciliation between profit before income taxes and income tax expense

The following is a reconciliation of income taxes, calculated at the standard UK corporation tax rate, to the income tax expense included in the statements of profit and comprehensive income:

	2023	2022
	£	£
Profit before income taxes	3,707	2,334
Income taxes – statutory rate	23.5%	19%
Income taxes at statutory rate	871	443
Fixed asset differences	(66)	(16)
Other non-deductible and tax-exempt items	(38)	(132)
R&D expenditure credits	–	(23)
Group relief claimed	(195)	(27)
Remeasurement of deferred tax for changes in tax rates	144	–
Other	(19)	(23)
Income tax expense	697	222

(In thousands of Pounds sterling)

8.2 Income tax expense

	2023	2022
	£	£
Current income tax expense		
Current year	353	36
Deferred income tax expense		
Timing differences	344	186
Income tax expense	697	222

Deferred income tax expense reflects the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

8.3 Significant components of the Company's deferred income tax assets and liabilities

	2023	2022
	£	£
Property, plant and equipment	(141)	(94)
Intangible assets	(654)	(316)
Right of use assets	–	(8)
Dismantling provision	33	–
	(762)	(418)

Presentation in the statement of financial position:

	2023	2022
	£	£
Deferred tax liabilities	(762)	(418)
	(762)	(418)

(In thousands of Pounds sterling)

8.4 Movements in deferred income tax assets and liabilities

	Net assets (liabilities), 1 January 2023	Recognized in profit or loss	Net assets (liabilities), 31 December 2023
	£	£	£
Property, plant and equipment	(94)	(47)	(141)
Intangible assets	(316)	(338)	(654)
Right of use asset	(8)	8	–
Dismantling provision	–	33	33
	(418)	(344)	(762)

	Net assets (liabilities), 1 January 2022	Recognized in profit or loss	Net assets (liabilities), 31 December 2022
	£	£	£
Property, plant and equipment	(3)	(91)	(94)
Intangible assets	(229)	(87)	(316)
Right of use asset	–	(8)	(8)
Other	1	(1)	–
	(231)	(187)	(418)

(In thousands of Pounds sterling)

9 TANGIBLE ASSETS

	Fixtures and fittings	Office equipment	Leasehold improvements	Total
	£	£	£	£
Gross carrying amount				
Balance at 1 January 2023	358	189	457	1,004
Additions	–	29	–	29
Balance at 31 December 2023	358	218	457	1,033
Amortization and impairment				
Balance at 1 January 2023	15	33	7	55
Amortisation charge	90	59	46	195
Balance at 31 December 2023	105	92	53	250
Net book value at 31 December 2023	253	126	404	783

	Fixtures and fittings	Office equipment	Leasehold improvements	Total
	£	£	£	£
Gross carrying amount				
Balance at 1 January 2022	33	21	–	54
Additions	358	168	457	983
Disposals	(33)	–	–	(33)
Balance at 31 December 2022	358	189	457	1,004
Amortization and impairment				
Balance at 1 January 2022	23	16	–	39
Amortisation charge	16	17	7	40
Disposals	(24)	–	–	(24)
Balance at 31 December 2022	15	33	7	55
Net book value at 31 December 2022	343	156	450	949

(In thousands of Pounds sterling)

10 RIGHT OF USE ASSET AND LEASE LIABILITY

	Office spaces
	£
Right of use asset	
Balance at 1 January 2023	2,546
Depreciation	(264)
Effect of modification to lease terms	(47)
Balance at 31 December 2023	2,235
Lease liability	
Balance at 1 January 2023	2,502
Interest on lease liability	79
Lease payment	(202)
Effect of modification to lease terms	(47)
Balance at 31 December 2023	2,332
Current	249
Non-current	2,083
Right of use asset	
Balance at 1 January 2022	–
Additions	2,667
Depreciation	(121)
Balance at 31 December 2022	2,546
Lease liability	
Balance at 1 January 2022	–
Additions	2,470
Interest on lease liability	36
Lease payment	(4)
Balance at 31 December 2022	2,502
Current	170
Non-current	2,332

The weighted average incremental borrowing rate applied to lease liabilities is 4.7%.

Other amounts recognized in the statement of profit:

	2023	2022
	£	£
Expenses recognized for leases of low value items and short term leases	56	106
Variable lease payments	91	63
Other amounts recognized in profit or loss	147	169

The Company had a total cash outflow for leases of £349 in 2023 (£173 in 2022).

(In thousands of Pounds sterling)

11 INTANGIBLE ASSETS

	Internally developed software
	£
Gross carrying amount	
Balance at 1 January 2023	2,799
Internally developed inputs	1,553
Balance at 31 December 2023	4,352
Amortization and impairment	
Balance at 1 January 2023	1,098
Amortisation charge	640
Balance at 31 December 2023	1,738
Net book value at 31 December 2023	2,614

	Internally developed software
	£
Gross carrying amount	
Balance at 1 January 2022	1,701
Internally developed inputs	1,098
Balance at 31 December 2022	2,799
Amortization and impairment	
Balance at 1 January 2022	686
Amortisation charge	412
Balance at 31 December 2022	1,098
Net book value at 31 December 2022	1,701

12 TRADE AND OTHER RECEIVABLES

	2023	2022
	£	£
Trade receivables	2,257	2,587
Amounts owed by related parties	4,876	1,752
Tax credit receivable	145	47
Other receivables	5	–
	7,283	4,386

(In thousands of Pounds sterling)

13 TRADE AND OTHER PAYABLES

	2023	2022
	£	£
Trade payables	318	421
Amounts owed to Group undertakings	–	47
Salaries and vacations payable	254	276
Bonus payable	381	350
Accrued expenses payable	398	242
Defined contribution pension payable	111	100
Sales tax payable	652	171
Other payables	1	48
	2,115	1,655

14 CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- To ensure the Company's ability to continue as a going concern;
- To provide an adequate return to shareholders by pricing services and products in a way that reflects the level of risk involved in providing those goods and services.

The Company's capital structure includes equity as presented in the statements of financial position. Management continually assesses the Company's capital needs to meet its objectives. There were no significant changes in the Company's capital management approach from the prior year.

The Board of Directors does not establish quantitative return on capital criteria for management. The Company intends to maintain a flexible capital structure that is consistent with its stated objectives and make adjustments to it in light of economic conditions, in order to maintain or adjust its capital structure.

15 FINANCIAL ASSETS AND LIABILITIES

15.1 Fair value measurements

Financial assets and financial liabilities measured at fair value in the statements of financial position are classified in accordance with the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

Measurement of fair value of financial instruments
The carrying value of cash, trade and other receivables, trade and other payables approximate their fair value due to their short-term maturities.

16 FINANCIAL INSTRUMENT RISKS

Financial risk management objectives and policies

The Company is exposed to various risks with respect to its financial instruments. The main types of risks are credit risk and liquidity risk.

(In thousands of Pounds sterling)

The Company's senior management oversees the management of these risks. The objectives are to secure the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The principal financial risks to which the Company is exposed are described below.

16.1 Credit risk analysis

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables, work in progress) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The maximum exposure of credit risk is generally represented by the carrying amount of these items reported on the statements of financial position.

Credit risk management

The credit risk is managed on a group basis based on the Company's credit risk management policies and procedures.

The credit risk in respect of cash balances held with financial institutions and deposits with financial institutions are managed via diversification of bank deposits and are only with major reputable financial institutions.

i. Trade receivables

Trade receivables consist of receivables from a relatively small number of customers. The Company continuously monitors the credit quality of customers based on accessible information. The Company's policy is to deal only with creditworthy counterparties. The credit terms range between 30 and 45 days. The ongoing credit risk is managed through regular reviews of ageing analysis, together with credit limits per customer.

Some service agreements require the customer to pay the annual amount for the service upfront, mitigating the credit risk.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers. Historically, the Company has not made any significant write-offs and had low bad debt ratios. The application of the simplified approach to measure expected credit losses for trade accounts receivable and work in progress had no material impact on the Company's financial statements.

For the years ended 31 December 2023 and 31 December 2022, the Company did not recognize any expense related to credit losses.

The following table sets forth details of the age of trade receivables:

	2023	2022
	£	£
Current	1,002	1,244
30-59 days	163	589
60-89 days	108	125
Older than 90 days	984	629
	2,257	2,587

16.2 *Liquidity risk analysis*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they are due. The Company manages its liquidity needs by monitoring against cash forecasts which are regularly revised and assessed for risk. The Company operates within very conservative working capital management policies to ensure that it has sufficient funds available to operate.

The Company considers expected cash flows from financial assets when assessing and managing liquidity risk, in particular cash and trade and other receivables. The Company's existing cash resources and trade receivables exceed the current cash outflow requirements. Cash flows from trade receivables are mainly contractually due within 30 days.

(In thousands of Pounds sterling)

As at 31 December 2023, the contractual maturities of the Company's financial liabilities, are detailed as follows:

	Current		Non-current	
	Less than six months	6 to 12 months	1 to 5 years	Over 5 years
	£	£	£	£
31 December 2023				
Trade and other payables	1,463	–	–	–
Lease liability	161	161	1,285	1,059
Total	1,624	161	1,285	1,059

The contractual maturities of the Company's financial liabilities for the previous reporting period are detailed as follows:

	Current		Non-current	
	Less than six months	6 to 12 months	1 to 5 years	Over 5 years
	£	£	£	£
31 December 2022				
Trade and other payables	1,484	–	–	–
Lease liability	76	113	1,285	1,380
Total	1,560	113	1,285	1,380

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

17 SHARE CAPITAL

The following table presents the number of issued shares at each reporting date

	2023	2022
Ordinary share capital issued and fully paid:		
Class "A" ordinary shares of £0.0001 each	1,000,000	1,000,000

The Company's authorized share capital is comprised of an unlimited number of voting and participating Class "A" shares.

(In thousands of Pounds sterling)

18 ADJUSTMENTS FOR NON-CASH ITEMS AND NET CHANGE IN WORKING CAPITAL

The following adjustments for non-cash items and net change in working capital have been made to profit and (loss) before taxes to arrive at cash flows from operations:

	2023	2022
Adjustments for:	£	£
Amortization of intangible assets	640	412
Depreciation of property, plant, and equipment	195	40
Depreciation of right of use asset	264	121
	1,099	573
Change in trade and other receivables	(2,896)	(452)
Change in prepaid expenses	54	(47)
Change in work in progress	(214)	(33)
Change in trade and other payables	460	(675)
Change in deferred revenues	(113)	333
	(2,709)	(874)

19 RELATED PARTY TRANSACTIONS

On July 1, 2021, the Company was acquired by Equisoft Inc., a privately owned company registered in Montreal, Canada. As a result, a charge has been placed over the assets of the company as a guarantee.

The most senior parent that prepares consolidated financial statements available for public use is Equisoft UK Holdings Limited and the ultimate controlling party of the group is Equisoft Inc.

The Company's related parties include key management personnel and shareholders with significant influence individually, or with members of the immediate family or other related parties, as explained below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received.

The Company's related parties include key management personnel and shareholders with significant influence individually, or with members of the immediate family or other related parties. Key management personnel remuneration has been set out in note 6 to the Financial Statements.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received.

(In thousands of Pounds sterling)

19.1 Transactions with group entities

The following transactions occurred with the group entities during the reporting period:

	2023	2022
	£	£
Income from group companies		
Resources	(571)	(944)
Management charge	(276)	–
Other	(48)	–
	(895)	(944)
Purchases from group companies		
Management charge	–	301
Software license fee	–	581
	–	882

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2023	2022
	£	£
Amounts owed by Group companies	4,876	1,752
Amounts owed to Group companies	–	(47)
	4,876	1,705