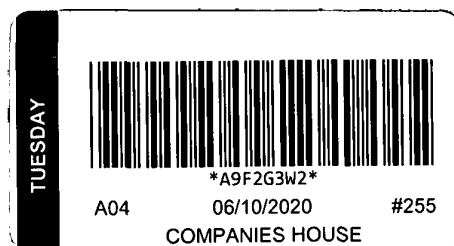


Matrix Software Development Limited

Company Registration No. 03763400

Annual Report and Financial Statements

For the year ended 30 June 2020



Matrix Software Development Limited

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Matrix Software Development Limited

Directors' Report For the year ended 30 June 2020

The Directors present their report together with the financial statements of Matrix Software Development Limited for the year ended 30 June 2020. Comparative figures in this report relate to the year ended to June 2019.

Directors

The Directors of the company who served during the year and up to the date of approval of the financial statements are as follows :

Nicola Ratcliffe

Colin Wells – resigned 31 March 2020

Martin Balaam – appointed 31 March 2020

Company particulars

Matrix Software Development Limited is incorporated in England and Wales. The address of the Company's registered office and principal place of business is:

St. James's Tower,
Charlotte Street,
Manchester,
M1 4DZ

Principal activities

The company specialises in developing software applications and platforms which are available to clients for the purpose of managing product information and digital asset management.

Review and result of operations

Revenue for the year was £1,625k (2019: £1,076K) with net liabilities of £1,803k (2019: £956k) at the year end and cash balances of £88k (2019: £100K).

The directors are pleased with the progress of both the product development and new customer acquisitions in the year, and the company continues to focus on product development, attaining new customers and increasing customer success and retention rates.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Matrix Software Development Limited

Directors' Report For the year ended 30 June 2020

Events subsequent to the balance sheet date

There have been no significant events occurring after the reporting date which may affect either the company's operations or results of those operations or the company's state of affairs. There will be no material effect from COVID-19 on the results within this report.

Going concern and COVID-19

The Directors consider that it is appropriate to prepare the accounts on a going concern basis. The current and potential financial obligations can be met with the backing of the parent company, Pimberly Limited, the Directors of which are fully supportive of the company's business strategy.

Management have considered the impact of COVID-19 and the high degree of uncertainty which it brings. Despite difficult market conditions the directors are confident that the company will continue to attain new customers and maintain its high customer retention rate due to the attractiveness of its product offering.

Disclosure of information to auditor

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

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

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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;
- 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

Matrix Software Development Limited

Directors' Report For the year ended 30 June 2020

company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies note

This report has been prepared in accordance with the small companies regime of the Companies Act 2006. This report was approved by the Board on 02 October 2020 and signed on its behalf.

Auditor

Mazars LLP have been appointed in the period. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Mazars LLP will therefore continue in office.

DocuSigned by:

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Mr M Balaam
Director

Matrix Software Development Limited

Independent Auditor's report to the members of Matrix Software Development Limited

Opinion

We have audited the financial statements of Matrix Software Development Limited (the 'company') for the year ended 30 June 2020 which comprise the Statement of Comprehensive Income, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the 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.

Other matter

Without qualifying our opinion we draw attention to the accounting policies on page 10 to the financial statements and the fact that the comparative information in the accounts was unaudited as the company was entitled to exemption from audit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Matrix Software Development Limited

Independent Auditor's report to the members of Matrix Software Development Limited

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Matrix Software Development Limited

Independent Auditor's report to the members of Matrix Software Development Limited

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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.

Neil Barton

Neil Barton (Senior Statutory Auditor)
for and on behalf of
Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DE
Date 2 October 2020

Matrix Software Development Limited

Statement of Comprehensive Income For the year ended 30 June 2020

	Notes	Year ended 30 June 2020 £'000	Unaudited Year ended 30 June 2019 £'000
Turnover		1,625	1,076
Cost of Sales		(1,065)	(789)
Gross Profit		560	287
Administration expenses		(1,965)	(1,527)
Operating profit (loss)		(1,405)	(1,240)
Other operating income		54	3
Loss before taxation		(1,351)	(1,237)
Taxation	4	504	390
Loss for the year		(847)	(847)

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

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

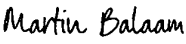
Matrix Software Development Limited
Company Number: 03763400

Statement of Financial Position
As at 30 June 2020

		30 June	Unaudited
	Notes	2020	30 June
		£000	2019
			£000
Fixed assets			
Tangible assets	5	43	76
Investment Property	6	-	108
		<u>43</u>	<u>184</u>
Current assets			
Debtors	7	1,210	1,166
Cash at bank and in hand		88	100
		<u>1,298</u>	<u>1,266</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(3,144)	(2,406)
Net current liabilities		<u>(1,846)</u>	<u>(1,140)</u>
Net liabilities		<u>(1,803)</u>	<u>(956)</u>
Capital and reserves			
Called up share capital	10	53	53
Profit and loss account		(1,856)	(1,009)
Shareholders' deficit		<u>(1,803)</u>	<u>(956)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS102 Section 1A – small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 02 October 2020

DocuSigned by:

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Mr M Balaam
 Director

The notes on pages 10 to 18 form part of these financial statements

Matrix Software Development Limited

Notes to the Financial Statements for the year ended 30 June 2020

1. Company information

Matrix Software Development Limited (the company) is a private company limited by shares, incorporated in England and Wales. The address of its registered office is disclosed in the directors' report.

Basis of preparation of financial statements

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company for the period ended 30 June 2020. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The comparative figures were not subject to audit as the company was entitled to exemption under section 477 of the Companies Act in relation to small companies.

Going concern

The Directors consider that it is appropriate to prepare the accounts on a going concern basis. The current and potential financial obligations can be met with the backing of the parent company, Pimberly Limited, the Directors of which are fully supportive of the company's business strategy.

Management have considered the impact of COVID-19 and the high degree of uncertainty which it brings. Despite difficult market conditions the directors are confident that the company will continue to attain new customers and maintain its high customer retention rate due to the attractiveness of its product offering.

Turnover

Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and that the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied.

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;

Matrix Software Development Limited

Notes to the Financial Statements for the year ended 30 June 2020

1. Accounting policies (*continued*)

- the stage of completion of the contract at the end of the reporting period can be measured reliably; and the costs incurred and the costs to complete the contract can be measured reliably.

Tangible fixed assets

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

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives on the following basis:

Fixtures and fittings	- 25% - 50% per annum
Long-term leasehold property	- 10% - 33% per annum

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

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

Impairment of fixed assets

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Investment property

Investment properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in profit or loss.

Leases

Operating leases rentals are charged to profit or loss on a straight line basis over the lease term.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and

Matrix Software Development Limited

Notes to the Financial Statements for the year ended 30 June 2020

1. Accounting policies (*continued*)

payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date.

Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Matrix Software Development Limited

Notes to the Financial Statements for the year ended 30 June 2020

2. Employees

The average number of persons (including directors) employed by the company during the year was 43 (2019: 32 - unaudited).

3. Directors' Remuneration

	Unaudited	
	2020	2019
	£000	£000
Remuneration for qualifying services	158	238
Company pension contributions to defined contribution	3	4
	161	242
	161	242

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019: 2 - unaudited).

4. Taxation

	Unaudited	
	2020	2019
	£000	£000
Current Tax		
UK corporation tax on losses	-	33
R&D tax credit – current year	(275)	(306)
Adjustment – prior year	(107)	-
Group relief payable(receivable)	(3)	-
Deferred taxation movements	(119)	(117)
	(504)	(390)
Total	(504)	(390)

Matrix Software Development Limited

Notes to the Financial Statements for the year ended 30 June 2020

5. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Total £000
Costs			
At 1 July 2019	112	275	387
Additions	5	26	31
	<u>117</u>	<u>301</u>	<u>418</u>
At 30 June 2020	<u>117</u>	<u>301</u>	<u>418</u>
Depreciation			
At 1 July 2019	74	237	311
Charge for the year	31	33	64
	<u>105</u>	<u>270</u>	<u>375</u>
At 30 June 2020	<u>105</u>	<u>270</u>	<u>375</u>
Net book value			
At 30 June 2020	<u>12</u>	<u>31</u>	<u>43</u>
At 30 June 2019 - Unaudited	<u>38</u>	<u>38</u>	<u>76</u>

Matrix Software Development Limited

Notes to the Financial Statements for the year ended 30 June 2020

6. Investment Property

	Total £000
Costs	
At 1 July 2019	203
Additions	-
Disposals	(203)
	<hr/>
At 30 June 2020	-
	<hr/> <hr/>
Depreciation	
At 1 July 2019	95
Charge for the period	-
Disposals	(95)
	<hr/>
At 30 June 2020	-
	<hr/> <hr/>
Net book value	
At 30 June 2020	-
	<hr/> <hr/>
At 30 June 2019 - Unaudited	108
	<hr/> <hr/>

The Property was sold on 25 June 2020 for the price of £160,000.

A profit on disposal of £52,000 has been realised in the profit and loss account.

7. Debtors

	Notes	2020 £000	Unaudited 2019 £000
Trade debtors		415	523
Other debtors		85	107
Prepayments		66	105
Amounts owed to group undertakings		18	4
Corporation tax		385	305
Deferred tax asset	9	241	122
		<hr/>	<hr/>
		1,210	1,166
		<hr/> <hr/>	<hr/> <hr/>

Matrix Software Development Limited

Notes to the Financial Statements for the year ended 30 June 2020

8. Creditors : Amounts falling due within one year

	Notes	2020 £000	Unaudited 2019 £000
Trade creditors		105	84
Other taxation and social security		390	153
Amounts owed to group undertakings		1,763	1,380
Other creditors		14	18
Accruals and deferred income	13	872	771
		<u>3,144</u>	<u>2,406</u>

Other taxation and social security includes pension contributions totalling £9k (2019: £8k - Unaudited) which were payable at the year end.

Amounts owed to group undertakings are interest free and repayable on demand.

9. Deferred tax asset

	2020 £000	Unaudited 2019 £000
Deferred Tax asset	241	122
	<u>241</u>	<u>122</u>

Matrix Software Development Limited

Notes to the Financial Statements for the year ended 30 June 2020

10. Called up share capital

	2020 £000	Unaudited 2019 £000
Allotted, called up and fully paid		
53,147 ordinary non-voting shares of £1.00 each	53	53
44 A Ordinary voting shares of £0.10 each	-	-
1,000 Ordinary voting shares of £0.10 each	-	-
	<u>53</u>	<u>53</u>

Each voting share is entitled to one vote in any circumstances.

11. Operating lease commitments

As at 30 June 2020 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases:

	2020 £000	Unaudited 2019 £000
Within 1 year	111	75
Between 1 – 5 years	55	63
Total	<u>166</u>	<u>138</u>

12. Parent company

The immediate parent undertaking is Pimberly Limited which includes the company in its consolidated accounts and shares the same registered office as the company. There is no ultimate controlling party over the group.

Matrix Software Development Limited

Notes to the Financial Statements for the year ended 30 June 2020

13. Related Parties

During the year consulting services were provided by Colin Wells Consulting Services Limited, a company controlled by a director of the Company. The services were provided on normal commercial terms and amounted to £61,904 (2019: £91,618 - Unaudited).

As at the balance sheet date, an amount of £3,012 (2019: £7,328 - Unaudited) was payable to Colin Wells Consulting Limited. The amounts outstanding are unsecured, non-interest bearing and will be settled in cash.

Accruals and deferred income includes an amount of £30,000 (2019: £NIL) owed to Martin Balaam, a Director of the company, which is non-interest bearing and is payable on demand.