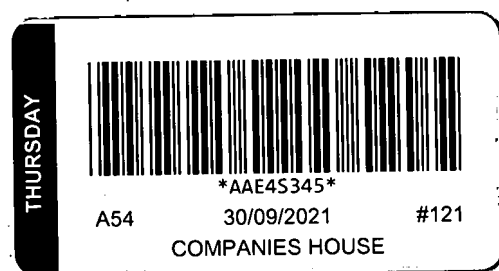


SimCorp Coric Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Registered number 03856557



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Company information

Directors

M. Rosenvold
J. Muller
C Kromann

Secretary

M. Rosenvold

Independent Auditors

PricewaterhouseCoopers LLP
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London
WC2N 6RH

Bankers

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Solicitors

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EC4A 1RS

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2nd Floor
100 Wood Street
London
EC2V 7AN

Strategic report

Strategic report for the year ended 31 December 2020

The directors present their Strategic report for SimCorp Coric Limited for the year ended 31 December 2020.

Principal activities

The principal activity of the Company during the year was software development, software sales and the provision of associated consultancy services.

Review of the business

The Company develops and markets SimCorp Coric, SimCorp's client reporting and communication solution, as a stand-alone solution. It services buy-side investment management markets worldwide with the SimCorp Coric product and related professional services.

Despite the Covid-19 pandemic, SimCorp Coric Limited signed five new deals, four new deals through its subsidiary SimCorp Coric Inc and one SimCorp Dimension client acquired the Coric solution. These successes as well as recurring revenue streams led to the business experiencing a satisfactory year.

The profit for the financial year amounted to £2,463,856 (2019: £3,991,602) and total shareholders' funds at 31 December 2020 totalled £3,704,584 (2019: £5,540,728).

The increasing market share of the business through new sales has positioned the business favourably to add further new business during 2021.

Key performance indicators ("KPIs")

The directors of SimCorp Group manage the group's operations on a divisional basis using a balanced scorecard. The 2020 scorecard consisted of three financial KPI's which are used to measure the divisions' performance. The following are the results of these for Simcorp Coric Limited:

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Professional Services Revenue	1,043,310	1,336,950
EBIT	3,031,943	4,946,349
New Customers	5	6

The development, performance and position of SimCorp as a group, which includes the company, are discussed in the Group's financial statements and do not form part of this report.

Principal risks and uncertainties

The Covid-19 pandemic is most current business risk affecting the company. Although most of remaining legal restrictions in the UK have now ended, the future outlook remains uncertain as new Covid-19 variants emerge.

Other key business risks and uncertainties affecting the Company relate to the general economic environment and competition. A key risk mitigation action is to stay ahead of competitors. SimCorp Coric Limited sees the importance of investing in research and development to maintain being a leading provider of Client Reporting and Communication solutions. A consistent investment is a cornerstone in SimCorp Coric Limited's strategy. SimCorp Coric Limited's business is based on specialised expertise and innovation. It is imperative that SimCorp Coric Limited continues to attract, develop and retain the most skilled employees and management talent. Failure to do so constitutes a risk. Uncertainties in the business environment in an ever developing and highly volatile world, means that SimCorp Coric Limited's policies and procedures are required to ensure an efficient management of risks identified.

Strategic report(continued)

This report was approved by the Board and signed on its behalf by:



Michael Rosenvold
Director
28 September 2021

Directors' report

The directors present their annual report and the audited financial statements of SimCorp Coric Limited for the year ended 31 December 2020.

Future developments

The future development of the business includes continuing its current activities, in the North America, EMEA and Asia Pacific regions.

As a consequence of Covid-19, the future outlook is more uncertain than normal even as most of remaining legal restrictions in the UK have now ended and offices are slowly reopening. SimCorp Coric Limited expects COVID-19 restrictions to be maintained until planned vaccine programs have been successfully implemented across SimCorp markets. In the short term, this is expected to lead to some hesitancy in clients' decision making, thereby causing longer sales processes. We expect the impact of COVID-19 restrictions to continue through 2021, tapering off towards the end of the year with a normalisation not expected before 2022.

Productivity across SimCorp Coric Limited's business has remained high due to a strong IT setup and high adaptability to virtual collaboration among our clients and employees working remotely on both product development, ongoing projects, and sales cases.

SimCorp Coric Limited remains committed to continue working on strengthen sales capabilities, delivery and client support. Our expectation is that the business will strive to build on the success of 2020.

Going concern

Despite the effects of Covid-19, the Directors believe due to most of SimCorp Coric Limited's revenue being recurring, as well as cost control measures, there is a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Accordingly, we continue to adopt the going concern basis in preparing the financial statements.

Dividends

The directors recommend payment of a dividend of £2,700,000 (2019: £4,300,000).

Financial instruments

The Company uses various financial instruments. These include amounts owed to the parent company SimCorp A/S, cash and cash equivalents and various items such as trade receivables and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Company to a number of financial risks which are described in more detail below. The main risks arising from the Company's financial instruments are currency risk, interest rate risk and liquidity risk.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these. At the balance sheet date the Company had no financial hedges (2019: none).

Currency risk

Although most sales are priced and billed in sterling, some contracts are priced and billed in foreign currencies. Foreign currency bank accounts are held so amounts are settled in the currency they are billed in. Where excess funds are held in those currencies, these amounts are transferred to our parent company, SimCorp A/S. The directors consider that this policy is sufficient to cover the currency risk to the Company.

Directors' report (continued)

Interest rate risk

There is a risk of interest rate exposure on the Company's inter-company lending, due to interest rate fluctuations. Given the overall group position, the directors consider this risk to be minimal.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The majority of the Company's liquidity is funded by cash on hand and by payments from trade receivables; however if additional funds are needed this would be obtained from the parent company.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

M. Rosenvold
J. Muller
C Kromann (appointed 8 January 2020)
S Keeler (resigned 8 January 2020)

Research and development

The Company performs Research and Development (R&D) activities of SimCorp Coric Client Communications. The R&D costs charged to the Statement of comprehensive income for the year were £2,017,043 (2019: £2,025,995).

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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.

Directors' report (continued)

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

The directors report was approved by the Board of directors and signed on its behalf by:



M Rosenvold
Director
28 September 2021

Independent auditors' report to the members of SimCorp Coric Limited

Report on the audit of the financial statements

Opinion

In our opinion, SimCorp Coric Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2020; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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

Independent auditors' report to the members of SimCorp Coric Limited (continued)

Reporting on other information (continued)

knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, the General Data Protection Regulation (GDPR) and

Independent auditors' report to the members of SimCorp Coric Limited (continued)

Auditors' responsibilities for the audit of financial statements (continued)

UK tax and employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial report, specifically the posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- addressing the risk of management override of internal controls, including testing of journal entries (in particular, journal entries posted with an unusual account combination); and
- evaluating and, where appropriate, challenging assumptions and judgments made by management in determining significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jonathan Ford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2021

Statement of comprehensive income
For the year ended 31 December 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Revenue	3	9,894,504	12,326,453
Cost of sales		(3,536,037)	(3,354,896)
Gross profit		6,358,467	8,971,557
Administrative expenses		(331,860)	(572,332)
Other operating income		75.00	750
Research and development cost		(2,017,043)	(2,025,995)
Sales and distribution cost		(977,696)	(1,427,631)
Operating profit	4	3,031,943	4,946,349
Finance income	6	11,631	36,599
Finance expense	6	(4,643)	(5,007)
Profit before taxation		3,038,931	4,977,941
Income tax expense	7	(575,075)	(986,339)
Profit for the financial year		2,463,856	3,991,602
Other comprehensive income for the financial year, net of tax			
Total comprehensive income for the financial year		2,463,856	3,991,602

The notes on pages 15 to 31 form part of the financial statements.

Statement of financial position
As at 31 December 2020

	Note	As at 31 December 2020 £	As at 31 December 2019 £
Fixed assets			
Property, plant and equipment	8	124,202	174,640
Investments in subsidiaries	9	1,000	1,000
Deferred tax asset	10	25,532	19,744
		150,734	195,384
Current assets			
Contract assets	11	2,467,390	2,834,272
Trade and other receivables	12	2,063,930	4,209,691
Cash and cash equivalents		531,831	142,107
		5,063,151	7,186,070
Creditors: amounts falling due within one year	13	(1,398,208)	(1,716,463)
Net current assets		3,664,943	5,469,607
Total assets less current liabilities		3,815,677	5,664,991
Provision for liabilities	14	(111,093)	(124,263)
Net assets		3,704,584	5,540,728
Capital and reserves			
Called up share capital	17	120	120
Share premium account		722,222	722,222
Retained earnings		2,982,242	4,818,386
Total shareholders' funds		3,704,584	5,540,728

The notes on pages 15 to 31 form part of the financial statements.

These financial statements on pages 12 to 31 were approved by the board of directors on 28 September 2021 and were signed on its behalf by:



M Rosenvold

Director

Company registered number: 03856557

Statement of changes in equity
For the year ended 31 December 2020

	Note	Called up share capital	Share premium account	Retained earnings	Total shareholders' funds
		£	£	£	£
Balance as at 1 January 2019		120	722,222	8,826,784	9,549,126
Profit and total comprehensive expense for the financial year		-	-	3,991,602	3,991,602
Dividends paid to shareholders	18	-	-	(8,000,000)	(8,000,000)
Balance at 31 December 2019		120	722,222	4,818,386	5,540,728
Balance at 1 January 2020		120	722,222	4,818,386	5,540,728
Profit and total comprehensive income for the financial year		-	-	2,463,856	2,463,856
Dividends paid to shareholders	18	-	-	(4,300,000)	(4,300,000)
Balance at 31 December 2020		120	722,222	2,982,242	3,704,584

The notes on pages 15 to 31 form part of the financial statements.

Notes to the financial statements for the year ended 31 December 2020

1 General information

SimCorp Coric Limited ('the Company') develops and sells software and associated consultancy services. The company services mainly the UK, Europe and North America. The Company also operates through its fully owned subsidiary, SimCorp Coric Inc..

The Company is a private company, limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office is 2nd Floor, 100 Wood Street, London, EC2V 7AN.

2 Accounting policies, estimates and judgements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on pages 21 to 22.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), statement of cash flows
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements).

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Accounting policies, estimates and judgements (continued)

Basis of preparation (continued)

- 38B-D (additional comparative information),
- 40A-D (requirements for a third statement of financial position
- 111 (cash flow statement information), and
- 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 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)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- Under FRS 101, the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers

Going concern

As a consequence of Covid-19 the future outlook is more unpredictable, however productivity across SimCorp Coric Limited's business has remained high. After making enquires, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

IFRS 16

New standards, amendments, IFRIC interpretations and new relevant disclosure requirements

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have a material impact on the company's financial statements.

Consolidation

The Company is a wholly owned subsidiary of SimCorp A/S (its ultimate parent). It is included in the consolidated financial statements of SimCorp A/S which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Accounting policies, estimates and judgements (continued)

Property, plant and equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment.

Depreciation is provided on all tangible fixed assets, at annual rates calculated to write off the cost of each asset evenly over its expected life, as follows:

Shorthold lease property and improvements	- over the lease term
Office equipment	- over 5 years
Computer equipment	- over 3 years
Lease Office	- over the lease term

The basis of depreciation is calculated with due consideration to realisable value and any prior impairment write down. The estimated useful life and realisable value of each asset is determined at the date of acquisition and reassessed annually. When the realisable value equals the carrying amount of the asset, the asset ceases to be depreciated. Any change in depreciation period or realisable value is recognised as a change in accounting estimate.

Impairment, depreciation and amortisation are recognised in the Statement of comprehensive income as research and development costs, sales and distribution costs or administrative expenses.

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Trade and other receivables

Trade and other receivables are amounts due from customers for licences sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Receivables are initially recognised at fair value, and subsequently carried at amortised cost less expected loss allowance. Expected loss allowance is recorded on a portfolio basis. The simplified approach is applied and on initial measurement of receivables, all credit losses expected during the lifetime of the receivables are considered.

Additionally, allowances for individual receivables are recognised if there is objective evidence of credit impairment. Account balances are written off either partially or in full if judged that the likelihood of recovery is remote.

Expected loss allowance and impairments are recognised in the Statement of comprehensive income as Administrative expenses.

Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Foreign currency transactions are translated into the functional currency at the exchange rates effective at the transaction dates. The average rate of exchange for the month is used to approximate the transaction dates' exchange rates. Exchange differences arising from the settlement of such transactions, as well as from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency, are recognised in the Statement of comprehensive income under finance income or finance cost.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Accounting policies, estimates and judgements (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank deposits.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Current and deferred income tax

The income tax for the year comprises current and deferred tax, including adjustments to prior years. Tax is recognised in the Statement of comprehensive income, except to the extent it relates to items recognised in other comprehensive income or directly on equity.

Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities. Deferred tax assets are assessed yearly and only recognised to the extent that it is more likely than not that they can be utilised. Deferred tax assets, including the tax value of tax losses carried forward, are recognised as other non-current assets and measured at the amount at which they are expected to be realised, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.

Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the Statement of financial position date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the Statement of comprehensive income.

Employee benefits

The Company operates a defined contribution pension scheme. Obligations relating to defined contribution plans are recognised in the statement of comprehensive income in the period in which they are earned, and payments due are recognised in the statement of financial position under other payables. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

Share based payment ("RSUs")

Restricted stock units to be settled in shares of parent company common stock are granted to management and key employees. These vest after three years subject to continuing employment. The value adjusted for dividends is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of the Company's resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

In valuing provisions, the costs estimated to settle the liability are discounted if such discounting would have a material effect on the measurement of the liability. A pre-tax discount rate is used that reflects the level of interest rates and risks associated with the liability. Changes in the discount element during the year are recognised as finance cost.

2 Accounting policies, estimates and judgements (continued)

Revenue

Rental of software and subscription agreements are agreements that give clients the right to use the SimCorp Coric Limited standard software over a limited period of time. The term of these agreements is typically between three and five years. Clients subsequently have an option to extend the rental or subscription period. Licence revenue from subscription agreements is recognised when the client has obtained control of the licence or service and has the ability to use and obtain substantially all the benefits from the licence or service. Under IFRS 15 licence revenue will therefore be recognised in the year of sale.

Revenue from professional services with respect to implementation and consultancy is recognised when the work is performed. Revenue from maintenance agreements is recognised on a straight-line basis over the maintenance period.

Other revenue is recognised in income statement on delivery of the goods and services.

Amounts recognised in advance of billing are Contract assets. Amounts billed in advance of recognising turnover are recorded as Contract liabilities.

Where services are performed on behalf of other group undertakings and amounts recharged to these parties, these transactions are recognised as intragroup revenues.

Finance income

Finance income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as finance income.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account.

Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

The Company has no financial assets nor liabilities measured at fair value through profit and loss.

Leases

Since the adoption of IFRS 16, leases are recognised in the Balance sheet as property, plant, and equipment and lease liabilities. In the income statement, the lease cost is replaced by depreciation of leased asset and an interest expense for the financial liability, but the impact is insignificant.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Accounting policies, estimates and judgements (continued)

Contract assets

Contract assets primarily relate to the Company's rights to consideration for software licensed to clients under subscription or fixed term agreements which include payments in the future, subsequent to revenue recognition. If the timing of payments specified in the contract provides the client with significant financing benefit, the transaction price is adjusted to reflect this financing component.

Contract liabilities

Contract liabilities represent mainly prepayments from clients for unsatisfied or partially satisfied performance obligations in relation to licences, software updates and support, and services. Software updates and support and hosting billing generally occur at periodic intervals (e.g. quarterly or yearly) prior to revenue recognition, resulting in contract liabilities.

The majority of licence agreements is revenue recognised in the year of sale. However, contracts with functionality gaps or acceptance criteria may have revenue recognition deferred, resulting in a contract liability when billing has occurred. Contracts in progress relating to fixed fee professional services are measured at the estimated sales value of the proportion of the contract completed at the balance sheet date. Amounts invoiced on account in excess of work completed are included in prepayments under current liabilities.

Estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Accounting policies, estimates and judgements (continued)

Critical accounting estimates and judgements

Revenue recognition

Contract identification – Contracts can include several components. The total contract sum is allocated to the separate performance obligations for the purpose of revenue recognition. Separate contracts with the same client are treated as one contract if entered into at or near the same time and are economically interrelated. In determining whether the various contracts are interrelated judgment is required. Considerations include: whether the contracts were negotiated as a package with a single commercial objective, whether the amount of consideration on one contract is dependent on the performance of another contract, or if some or all offerings in the contract are a single performance obligation.

Additional agreements with existing clients can be a new contract or a modification to existing contracts. Judgment making this determination considers: the presence of a connection between the new agreement and pre-existing contracts, whether the subscription fees, licence fees, software updates and support fees or services under the new agreement are highly interrelated with the same under prior agreements, and how such fees or services under the new agreements are priced.

Performance obligation identification – Contracts often include several components. Licence fees from new clients or from additional sales to existing clients, software updates and support fees, professional services, hosting constitute the main performance obligations. The fees allocated to the different performance obligations are recognised separately.

The only performance obligation related to licence agreements has been identified as the right to use the software. The right to use software licence is considered a separate performance obligation when it satisfies the following conditions: can be delivered separately from other services, can be installed by a third party, can be used without upgrades, and is functional without upgrades or technical support.

Judgment is required in determining whether a component is considered a separate performance obligation, in particular, professional services and implementation activities. Consideration is given as to whether the services significantly integrate, customise or modify the software or hosting offering. In general, implementation services and activities go beyond setup and qualify as a separate performance obligation.

Options to acquire additional components such as renewals or additional volumes require judgment in determining whether such options provide a material right to the client which the client would not receive without entering into that contract. In this judgment it is considered whether the options entitle the customer to a discount that exceeds the discount granted for the respective subscriptions fees, licence fees, software updates and support fees sold with the option.

Transaction price – Judgment is applied in determining the amount to which SimCorp Coric Limited expects to be entitled in exchange for transferring licences and software updates and support to a customer. The consideration attributable to licence fees in subscription-based agreements are discounted to net present value when the value of the financing element is deemed significant. If the period between licences transfer, software updates and support and payment from the clients is a year or less, no financing element is recognised.

A hierarchy has been established to identify the standalone selling prices used to allocate the transaction price of a customer contract to the performance obligations in the contract. Where standalone selling prices for a performance obligation are observable and reasonably consistent across customers, estimates are derived from SimCorp Coric Limited's pricing history. Where sales prices are not directly observable or are highly variable across customers, estimation techniques are applied, such as a cost-plus-margin approach, often applied to third party products.

2 Accounting policies, estimates and judgements (continued)

Critical accounting estimates and judgements (continued)

If not renewable, with highly variable pricing, and no substantial direct costs to estimate based on a cost-plus-margin approach, allocation is achieved by applying a residual approach. We use this technique in particular for licence and software updates and support. Once the standalone price for other components is estimated, an apportionment is applied to allocate the price between licence and software updates and support after deducting other performance obligations from the total consideration as follows:

	Coric
Licences	75%
Software updates and support	25%
Total apportionment	100%

Licence Revenue – Under IFRS 15 licence revenue will therefore be recognised in the year of sale. In relation to maintenance contracts, maintenance is recognised on a straight-line basis over the maintenance period.

Professional services – Revenue from professional services with respect to implementation and consultancy is recognised when the work is performed. This is generally done on a monthly basis based on hours performed.

Dilapidations provision

SimCorp Coric rents one of its office premises in Wolverhampton. Upon termination of the lease, it is obliged to restore the premises to the conditions as at the time of take over. All costs relating to SimCorp Coric Limited's legal obligation to dismantle, remove or establish the asset must be included in its accounts. Therefore, a reasonable estimate of the costs necessary to fulfil the obligation must be calculated and discounted back to the current value. This provision is based on an estimated cost per square foot method.

Impairment of receivables

The need for impairment of receivables was based on an individual assessment of each receivable and reflects management's assessment and review of the individual receivables. Consideration was given to current economic trends and creditworthiness of each client. Changes in client's financial situation may give rise to indication of impairment in future accounting periods.

Management assesses the need for provisions on an ongoing basis. Assessments consider the likelihood of the need to expend financial resources and the amount at which the liabilities are expected to be settled. These assessments are based on estimates which are subject to a high level of uncertainty and may give rise to changes in future accounting periods.

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Revenue

Analysis of revenue by geography:

	Year ended 31 December 2020 £	Year Ended 31 December 2019 £
United Kingdom	1,458,115	3,449,509
Rest of Europe	3,138,786	4,007,209
Rest of the World	5,297,603	4,869,735
	<u>9,894,504</u>	<u>12,326,453</u>

Analysis of revenue by category:

	Year ended 31 December 2020 £	Year Ended 31 December 2019 £
Licence	1,802,287	1,911,498
Maintenance	1,083,974	990,259
Services	1,043,310	1,336,950
Intragroup income	5,964,933	8,087,746
	<u>9,894,504</u>	<u>12,326,453</u>

4 Operating profit

Operating profit is stated after charging:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Wages and salaries	3,688,494	4,094,597
Social security costs	432,040	497,782
Other pension costs	175,885	142,449
Share based payments (note 16)	-	-
	<u>4,296,419</u>	<u>4,734,828</u>
Total staff costs		
Depreciation on tangible assets (note 8)	89,415	90,467
Foreign exchange loss	26,482	25,526
Services provided by the company's auditors		
-Fees payable for audit	21,060	21,060
-Tax compliance services	300	300

Notes to the financial statements for the year ended 31 December 2020 (continued)

5 Employees and directors

Employees

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	Year ended 31 December 2020 Number	Year ended 31 December 2019 Number
By activity		
Consultancy	25	23
Development	15	20
Administration	7	12
	<u>47</u>	<u>55</u>

Directors

The directors' aggregate remuneration in respect of qualifying services were:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Aggregate emoluments	44,251	194,486
Of which: highest paid director's emoluments	44,251	194,486
Highest paid director's employer's pension contribution	576	7,480
Redundancy compensation	84,522	-

6 Finance income and expense

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Finance income	145	1,140
Interest receivable from group undertakings	11,486	35,459
Total finance income	<u>11,631</u>	<u>36,599</u>
Interest expenses and bank charges	(1,836)	(2,387)
Unwind of discount	(1,062)	(1,171)
Interest expense on lease liabilities (note 14)	(1,745)	(1,449)
Total Finance expense	<u>(4,643)</u>	<u>(5,007)</u>
Net finance income	<u>6,988</u>	<u>31,592</u>

Notes to the financial statements for the year ended 31 December 2020 (continued)

7 Income tax expense on ordinary activities

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Tax income included in profit and loss		
Current tax		
- UK corporation tax on profit for the year	580,863	966,248
- Adjustment in respect to previous years	-	21,287
Total current tax	580,863	987,535
Deferred tax		
- Origination and reversal of temporary differences	(3,100)	(3,518)
- Adjustment in respect of previous years	-	-
- Impact of changes in tax rates	(2,688)	2,322
Total deferred tax	(5,788)	(1,196)
Tax expense on profit	575,075	986,339

Tax expense for the year is lower (2019: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2020 of 19.00% (2019: 19.00%). The differences are explained below:

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Profit before taxation	3,038,931	4,977,941
Profit multiplied by standard rate in the UK 19.00% (2019: 19.00%)	577,397	945,809
Effects of:		
- Income not deductible for tax purposes	-	16,921
- Adjustment in respect to previous years	-	21,287
- Other	(2,324)	2,322
Total tax expense on profit	575,075	986,339

The tax rate for the current year remains the same as the prior year at 19.00%.

Notes to the financial statements for the year ended 31 December 2020 (continued)

8 Property, plant and equipment

	Shorthold lease property and improvements	Office equipment	Computer equipment	Lease Office	Total
	£	£	£	£	£
Cost					
At 1 January 2020	143,341	57,062	10,487	144,782	355,672
Additions	-	-	-	38,977	38,977
At 31 December 2020	143,341	57,062	10,487	183,759	394,649
Accumulated depreciation					
At 1 January 2020	88,392	35,139	7,862	49,639	181,032
Charge for year	25,875	11,406	1,127	51,007	89,415
At 31 December 2020	114,267	46,545	8,989	100,646	270,447
Net book value					
At 31 December 2020	29,074	10,517	1,498	83,113	124,202
At 31 December 2019	54,949	21,923	2,625	95,143	174,640

9 Investments

The company owns 100% of the issued share capital in SimCorp Coric Inc. (USD 1,600), a company registered and incorporated in the United States of America. The registered address of this subsidiary is 53 State Street, Boston, Mass, MA 02109, USA. The primary business activity is software development, software sales and the provision of associated consultancy services. The directors believe that the carrying value of the investment is supported by its underlying net assets.

	2020 £	2019 £
Investment in subsidiaries		
At 1 January	1,000	1,000
At 31 December	1,000	1,000

Notes to the financial statements for the year ended 31 December 2020 (continued)

10 Deferred tax asset

The analysis of deferred tax assets is as follows:

	2020 £	2019 £
Deferred tax asset		
At 1 January	19,744	18,549
Movement in deferred tax asset	3,100	3,518
Change in tax rate	2,688	(2,323)
	<u>25,532</u>	<u>19,744</u>
At 31 December	<u>25,532</u>	<u>19,744</u>
The elements of deferred taxation are as follows:		
Tangible assets	<u>25,532</u>	<u>19,744</u>
At 31 December	<u>25,532</u>	<u>19,744</u>

There is no unrecognised deferred tax asset. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised.

11 Contract Assets

	2020 £	2019 £
Contract assets	2,471,896	2,842,472
IFRS 9 provision/loss allowance	(4,506)	(8,200)
	<u>2,467,390</u>	<u>2,834,272</u>

Due to the adoption of IFRS 15 in 2018, SimCorp Coric Limited now recognises contract assets. These originate from subscription agreements, of which payments in the future are recognised in accordance with IFRS 15. Once invoices are issued the contract asset balance decreases.

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Trade and other receivables

	2020 £	2019 £
Trade receivables	761,915	858,254
Amounts owed by group undertakings	1,231,010	3,283,596
Prepayments and accrued income	28,018	48,594
Other receivables	42,987	19,247
	<u>2,063,930</u>	<u>4,290,691</u>

Accrued income consists mainly of revenue from the sale of software licences and receivables from professional services contracts in progress.

No security has been received with respect to trade receivables and all amounts are due within one year.

Under IFRS 9 a provision for impairment of £51 (2019: 461) has been made in 2020 for trade receivables.

Amounts owed by group undertakings are unsecured, bear an interest at N-BOR + 0.5% p.a., (2019: 0.5%) and are repayable on demand.

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	19,776	108,750
Taxation and social security	197,973	242,218
Corporation tax	-	169,236
Accruals	493,785	603,073
Contract liabilities	686,674	593,186
	<u>1,398,208</u>	<u>1,716,463</u>

Amounts falling due after more than one year totalled £Nil as at 31 December 2020 (2019: £Nil). The amount of Contract liabilities income recognised in 2020 that was included in Contract liabilities at 31 December 2019 is £562,284.

Notes to the financial statements for the year ended 31 December 2020 (continued)

14 Provisions for liabilities

	Dilapidation provision £	Office lease provision £	Total provision £
Balance at 1 January 2020	24,589	99,674	124,263
Unwinding of discount	302	-	302
Interest	-	1,745	1,745
Lease payments	-	(54,954)	(54,954)
Additions in the year	-	39,737	39,737
Balance as at 31 December 2020	24,891	86,202	111,093

The dilapidation provision will cease at the end of the lease term in August 2022.

15 Post-employment benefits

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contribution payable is charged to the Statement of comprehensive income.

The amount recognised as an expense for the defined contribution scheme was:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Current year contributions	175,885	142,449

Notes to the financial statements for the year ended 31 December 2020 (continued)

16 Share-based payments

The parent company grants restricted stock units annually in April to key employees of the group as part of the long-term incentive program. These restricted stock units vest three years after being granted subject to continuing employment. Furthermore, the restricted stock units are subject to conditions with respect to average annual minimum revenue growth and annual net operating profit after tax for the three consecutive financial years including the year of grant. If the conditions are only partially satisfied, the undertaking with respect to the number of shares transferred after three years is reduced, and may possibly lapse completely.

Restricted stock units were granted to management and key employees of SimCorp Coric Limited in 2019. These restricted stock units will vest after three years subject to continuing employment. £Nil was charged to the Statement of comprehensive income in respect of this program in the 2020 financial year.

Number of restricted stock units

	Grant Year	Vesting period	Outstanding as at 31 December 2019	Granted during the year	Vested during the year	Performance adjusted during the year	Cancelled during the year	Outstanding as at December 2020
Corporate bonus program	2020	Feb-23	-	623	-	-	-	623
Long term incentive program	2019	Feb-22	650	-	-	-	(130)	520
Long term incentive program	2018	Feb-21	927	-	-	(35)	-	892
Corporate bonus program	2019	Feb-22	258	-	(85)	-	-	173
Long term incentive program	2017	Feb-20	776	-	(776)	-	-	0
Corporate bonus program	2018	Feb-21	113	-	(56)	-	-	57
Corporate bonus program	2017	Feb-20	77	-	(77)	-	-	0
Total			2,801	623	(994)	(35)	(130)	2,265

17 Called up share capital

Ordinary shares of £0.00001 each

Allotted and fully paid

At 1 January 2020

No.	£
12,000,000	120

At 31 December 2020

12,000,000	120
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All shares rank pari passu in all respects.

Notes to the financial statements for the year ended 31 December 2020 (continued)

18 Dividends

	2020 £	2019 £
Total dividends paid	4,300,000 (£0.36 per share)	8,000,000 (£0.67 per share)

A final dividend of £2,700,000 (£0.23 per share) has been proposed for the year ended 31 December 2020. The dividend has not been accounted for within the current year financial statements as it has yet to be approved.

19 Ultimate parent undertaking

SimCorp A/S, incorporated in Denmark, is the largest and smallest entity in which the financial statements of the Company are included. SimCorp A/S is the Company's immediate and ultimate parent undertaking and is regarded by the directors as the Company's ultimate controlling party. Copies of its financial statements may be obtained from Weidekampsgade 16, DK-2300 Copenhagen S, Denmark