

Company Registration No. SC154934 (Scotland)

API SOFTWARE LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

API SOFTWARE LIMITED

COMPANY INFORMATION

Directors G McHarg
K Bain
A Davison
K Slatford
J Roche
C Livesey
T Rampton (Appointed 16 July 2024)

Secretary Dentons Secretaries Limited

Company number SC154934

Registered office The Garment Factory
10 Montrose Street
Glasgow
G1 1RE

Auditor Johnston Carmichael LLP
227 West George Street
Glasgow
G2 2ND

API SOFTWARE LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 9
Group profit and loss account	10
Group statement of comprehensive income	11
Group balance sheet	12
Company balance sheet	13
Group statement of changes in equity	14
Company statement of changes in equity	15
Group statement of cash flows	16
Notes to the financial statements	17 - 34

API SOFTWARE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2025

The directors present the strategic report for the year ended 31 January 2025.

Fair review of the business

The group provides financial control, regulatory reporting, and data management software to the financial services sector in the UK, Europe, and North America from its headquarters in the UK. The group opened a new office in North America during the year, to support its growing US customer base.

The group's AutoRek software automates the high-volume reconciliation of transactions, exception management and data analysis workflows, delivering operational efficiency and improved governance of financial and regulatory risk.

Our 100+ global customer base includes large global banks, insurers, investment platforms and next generation payment providers.

The group generates annual recurring revenues ("ARR") from the provision of its software as a service ("SaaS") platform and professional services from the implementation and configuration of the software solutions.

Business environment

The drive for greater integrity, transparency and accountability within the global financial services sector has led to increased regulation of financial institutions and as a result we are seeing a growing demand for the group's financial control and regulatory reporting solutions. In addition, the explosive growth in global e-payments is driving an unprecedented volume and complexity of transactions for payments providers to manage, and they need to rapidly invest in their operational systems and controls in order to maintain and develop their competitive position.

The group is committed to ongoing product development and innovation to meet this demand, and our platform, solutions and subject matter experts continue to be recognised by the industry across RegTech, Compliance, and Reconciliations.

Business Strategy

The business strategy is to continue to grow in the group's chosen markets of Investment and Capital Markets, Asset Management, Insurance, Banking and Payments, within the global financial services market.

Increased scrutiny from the regulators is continually driving the need for firms to review, consolidate and potentially update their technology to ensure they remain compliant. For example, in the US, the Securities and Exchange Commission ("SEC") shortened the standard settlement cycle for most broker-dealer securities transactions during 2024 from two business days following the trade date ("T+2") to one business day ("T+1"), with implications for how broker-dealers, investment advisers and clearing agencies process institutional trades – with the UK set to follow suit in 2027. Such fundamental change requires these companies to materially transform their operations processes and technology and offers significant opportunity for the AutoRek platform.

Furthermore, the digital asset market has experienced explosive growth, with global market capitalization for cryptocurrency rising from under \$1 trillion at the start of 2021 to over \$3 trillion in May 2025. This growth has been accompanied by increased institutional adoption and regulatory scrutiny, creating new operational challenges for financial services firms whose traditional systems were designed for conventional assets operating at 2-8 decimal places.

To address these challenges, the group has recently launched AutoRek Mion, its groundbreaking data management and reconciliation platform specifically designed to handle cryptocurrency and digital asset operations by processing up to 20 cigits before and 18 after the decimal point to deliver accuracy and scale for our customers.

The group continues to invest in accelerating its product roadmap to address these market opportunities, and as an example, is currently developing new Agentic AI and generative reconciliation tools that drive efficiencies in a wide variety of simple and complex operational processes. Also of interest is further international expansion which in addition to an investment in direct on-the-ground resources in the US is further extended through strategic partnerships, and by example is working with Cap Gemini to supply skilled resources to support the scaling up of the implementation and configuration of its software solutions.

API SOFTWARE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

Our investors, Scottish Equity Partners ("SEP"), a leading growth equity investor with a long and extensive experience of supporting software companies, share the group's vision for the future and fully support the continued investment in the market opportunity.

Principal risks and uncertainties

The board has performed an assessment of the principal risks and uncertainties that could threaten the business, including strategy, financial results, future performance, solvency, or liquidity. The items listed below represent the principal risks and uncertainties, as well as the mitigation steps taken to safeguard against materialised risks.

Software development and service delivery failures

The group operates in the software development sector which is highly innovative and subject to change. This risk is mitigated by the recruitment of staff with the relevant competencies and experience, as well as continually developing the product's technical architecture and feature-set, in a secure, robust, and scalable manner.

Issues or failures with our software delivery could lead to failed implementations, project delays, early termination, and contractual claims, all of which could adversely impact the group's revenues, earnings, and reputation. To mitigate this, we operate a clear methodology to align customer expectations from the outset, manage projects effectively and minimise issues or delays. Where necessary, we invest time and resource to rectify any errors and minimise contractual, commercial, and reputational risks. As a result, we successfully completed all scheduled projects in the year.

Retention and wellbeing of our employees

The group continues to monitor and support the wellbeing of our staff. Staff retention was high in the year, and we are continually reviewing our policies and processes to ensure our staff remain highly engaged and productive.

Data and cyber risks

A significant data loss, security breach or cyber-attack could significantly threaten the group's ability to do business, particularly in the short term, and could result in significant financial loss.

The group successfully passed its ISO27001, ISO9001, SOC2 Type 2 re-certification audits, together with its first SOC1 Type 2 audit, as part of the group's ongoing investment in ensuring we have the necessary information and cyber security controls in place to provide customers with the highest levels of confidence.

Key performance indicators

The trading results of the group are set out on page 10. The results show an increase of 30% in total revenue for the year to £20.9m (2024: £16.1m).

Annual Recurring Revenue ("ARR") the key performance indicator of the business, increased by 25%, sustaining the group's track record of delivering strong top-line growth on multi-year contracts through securing both new customer wins and existing customer expansions. The latter, being testimony to the importance of the group's AutoRek software solutions to its customers, and to the value they continue to receive.

The loss for the financial year of £1.3m (2024: £2.8m) reflects the ongoing investments in headcount and business development activities to support the growth in ARR and development of the software platform. This investment in the product roadmap will support new regulations across the financial services industry, such as payments and safeguarding of client funds. As noted below, the group expects to return to sustainable profitability in the financial year to 31st January 2026, as a result of the continued growth in ARR. The group balance sheet on page 12 shows that at the year end, the group had net liabilities of £4.3m (2024 - £3.0m net liabilities). Of these liabilities, £11.1m relates to Deferred Income (2024: £9m) from contracted ARR not yet recognised.

The statement of cash flows on page 16 shows that the group had £4.1m in cash (2024: £1.8m) after the cash inflow of £2.9m (2024 - £0.8m outflow) from operating activities, as a result of the continued growth in ARR.

API SOFTWARE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

Future developments

The group continues to see a significant demand within the financial services sector for regulatory reporting solutions, with many firms already implementing the group's cloud-based SaaS platform through to 2026 and therefore expect ARR growth rates to remain consistently strong into the future.

The board believes the group is well positioned for growth and will continue to make investments in both refreshing the core product and technology platform as well as strengthening our talent pool of employees across the business to meet the needs of our loyal customers.

The group expects to return to sustained profitability for the full year to 31 January 2026 and is currently trading profitably at the date of this report.

The group agreed a new 4-year Financing Facility for £3m in July 2023, to support the above investments as required. To date, the group has drawn down £2m of the facility and does not expect to utilise the remaining £1m of the facility as it will have sufficient cash reserves to reach profitability and positive cash generation as outlined above.

This report was approved and signed on behalf of the board of directors.

K Bain
Director

11 July 2025

API SOFTWARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2025

The directors present their annual report and financial statements for the year ended 31 January 2025.

Principal activities

The principal activity of the group is the development of financial control, regulatory reporting and data management software to the financial services sector in the UK, Europe, Middle East, Asia and North America.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G McHarg

K Bain

A Davison

A Conroy

(Resigned 29 February 2024)

K Slatford

J Roche

C Livesey

T Rampton

(Appointed 16 July 2024)

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.

Financial instruments

The group's financial risk management objectives, policies and exposure to financial risks are not considered material for the assessment of the group's assets, liabilities, financial position or result for the year and, as such, no further disclosure is considered necessary.

Research and development

In order to meet growing demand, the group remains committed to ongoing research and development activities focused on innovating software solutions and product offerings. The group has continued to invest in these areas during the current financial year.

Future developments

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

API SOFTWARE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the group is aware of that information.

On behalf of the board

K Bain
Director

11 July 2025

API SOFTWARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF API SOFTWARE LIMITED

Opinion

We have audited the financial statements of API Software Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2025 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2025 and of the group's 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report and 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 and financial statements. 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.

API SOFTWARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF API SOFTWARE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company 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 group's and parent 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 group or parent company or to cease operations, or have no realistic alternative but to do so.

Auditor 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

API SOFTWARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF API SOFTWARE LIMITED

Extent to which the audit is considered capable of detecting irregularities, including fraud

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.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- General Data Protection legislation;
- UK tax legislation; and
- UK Generally Accepted Accounting Practice.

We gained an understanding of how the group and the parent company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the group's and parent company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls.
- Revenue recognition.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the group's and parent company's procurement of legal and professional services;
- Performing audit procedures over revenue recognition, testing sales from contractual agreements to the accounting system and ensuring year-end sales cut-off has been appropriately applied;
- Performing audit procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the group's and parent company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

API SOFTWARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF API SOFTWARE LIMITED

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Wilkie (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

11 July 2025

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

API SOFTWARE LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2025

	Notes	2025 £	2024 £
Turnover	3	20,864,211	16,051,508
Cost of sales		(6,344,817)	(5,209,864)
Gross profit		<u>14,519,394</u>	<u>10,841,644</u>
Administrative expenses		(15,660,562)	(13,927,451)
Other operating income		-	6,368
Exceptional costs	4	(142,997)	(378,027)
Operating loss	5	<u>(1,284,165)</u>	<u>(3,457,466)</u>
Interest receivable and similar income	9	80,574	19,427
Interest payable and similar expenses	10	(283,289)	(166,888)
Loss before taxation		<u>(1,486,880)</u>	<u>(3,604,927)</u>
Tax on loss	11	212,404	845,500
Loss for the financial year	25	<u><u>(1,274,476)</u></u>	<u><u>(2,759,427)</u></u>

Loss for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

API SOFTWARE LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2025

	2025	2024
	£	£
Loss for the year	(1,274,476)	(2,759,427)
Other comprehensive income		
Currency translation differences	(3,746)	-
Total comprehensive expenditure for the year	<u>(1,278,222)</u>	<u>(2,759,427)</u>

Total comprehensive expenditure for the year is all attributable to the owners of the parent company.

API SOFTWARE LIMITED

GROUP BALANCE SHEET

AS AT 31 JANUARY 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Intangible assets	12		34,721		40,385
Tangible assets	13		294,837		280,269
			<u>329,558</u>		<u>320,654</u>
Current assets					
Debtors	16	8,016,178		9,275,108	
Cash at bank and in hand		4,143,481		1,833,326	
		<u>12,159,659</u>		<u>11,108,434</u>	
Creditors: amounts falling due within one year	17	<u>(14,449,169)</u>		<u>(10,604,506)</u>	
Net current (liabilities)/assets			<u>(2,289,510)</u>		<u>503,928</u>
Total assets less current liabilities			<u>(1,959,952)</u>		<u>824,582</u>
Creditors: amounts falling due after more than one year	18		<u>(2,363,688)</u>		<u>(3,870,000)</u>
Net liabilities			<u>(4,323,640)</u>		<u>(3,045,418)</u>
Capital and reserves					
Called up share capital	23		104		104
Share premium account	24		399,945		399,945
Capital redemption reserve			-		1
Profit and loss reserves	25		<u>(4,723,689)</u>		<u>(3,445,468)</u>
Total equity			<u>(4,323,640)</u>		<u>(3,045,418)</u>

The financial statements were approved by the board of directors and authorised for issue on 11 July 2025 and are signed on its behalf by:

K Bain
Director

API SOFTWARE LIMITED

COMPANY BALANCE SHEET

AS AT 31 JANUARY 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12		34,721		40,385
Tangible assets	13		294,837		280,269
Investments	14		1		1
			<u>329,559</u>		<u>320,655</u>
Current assets					
Debtors	16	7,511,890		9,275,108	
Cash at bank and in hand		4,060,403		1,833,326	
		<u>11,572,293</u>		<u>11,108,434</u>	
Creditors: amounts falling due within one year	17	<u>(13,596,892)</u>		<u>(10,604,507)</u>	
Net current (liabilities)/assets			<u>(2,024,599)</u>		<u>503,927</u>
Total assets less current liabilities			<u>(1,695,040)</u>		<u>824,582</u>
Creditors: amounts falling due after more than one year	18		<u>(2,363,688)</u>		<u>(3,870,000)</u>
Net liabilities			<u>(4,058,728)</u>		<u>(3,045,418)</u>
Capital and reserves					
Called up share capital	23		104		104
Share premium account	24		399,945		399,945
Capital redemption reserve			-		1
Profit and loss reserves	25		<u>(4,458,777)</u>		<u>(3,445,468)</u>
Total equity			<u>(4,058,728)</u>		<u>(3,045,418)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,013,310 (2024 - £2,759,427 loss).

The financial statements were approved by the board of directors and authorised for issue on 11 July 2025 and are signed on its behalf by:

K Bain
Director

Company Registration No. SC154934

API SOFTWARE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2025

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 February 2023		99	399,945	-	(686,040)	(285,996)
Year ended 31 January 2024:						
Loss and total comprehensive expense for the year		-	-	-	(2,759,427)	(2,759,427)
Issue of share capital		6	-	-	-	6
Repurchase of shares		(1)	-	1	(1)	(1)
Balance at 31 January 2024		104	399,945	1	(3,445,468)	(3,045,418)
Year ended 31 January 2025:						
Loss for the year		-	-	-	(1,274,476)	(1,274,476)
Other comprehensive income:						
Currency translation differences		-	-	-	(3,746)	(3,746)
Total comprehensive expense for the year		-	-	-	(1,278,222)	(1,278,222)
Issue of share capital	23	3	-	-	-	3
Repurchase of shares	23	(3)	-	-	-	(3)
Transfers		-	-	(1)	1	-
Balance at 31 January 2025		104	399,945	-	(4,723,689)	(4,323,640)

API SOFTWARE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2025

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 February 2023	99	399,945	-	(686,040)	(285,996)
Year ended 31 January 2024:					
Loss and total comprehensive expense for the year	-	-	-	(2,759,427)	(2,759,427)
Issue of share capital	6	-	-	-	6
Repurchase of shares	(1)	-	1	(1)	(1)
Balance at 31 January 2024	104	399,945	1	(3,445,468)	(3,045,418)
Year ended 31 January 2025:					
Loss and total comprehensive expense for the year	-	-	-	(1,013,310)	(1,013,310)
Issue of share capital	23	3	-	-	3
Repurchase of shares	23	(3)	-	-	(3)
Transfers	-	-	(1)	1	-
Balance at 31 January 2025	104	399,945	-	(4,458,777)	(4,058,728)

API SOFTWARE LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2025

	Notes	2025		2024	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29				
		2,890,344		(958,150)	
Interest paid		(254,025)		(126,258)	
Income taxes refunded		258,240		324,888	
Net cash inflow/(outflow) from operating activities		2,894,559		(759,520)	
Investing activities					
Purchase of intangible assets		(44,099)		(3,663)	
Purchase of tangible fixed assets		(223,157)		(86,076)	
Interest received		80,574		19,427	
Net cash used in investing activities		(186,682)		(70,312)	
Financing activities					
Proceeds from issue of shares		3		6	
Redemption of shares		(3)		(1)	
Repayment of other borrowings		-		(273,833)	
Repayment of bank loans		(350,000)		-	
Proceeds of bank loans		-		2,000,000	
Payment of finance leases obligations		(47,722)		(126,095)	
Net cash (used in)/generated from financing activities		(397,722)		1,600,077	
Net increase in cash and cash equivalents		2,310,155		770,245	
Cash and cash equivalents at beginning of year		1,833,326		1,063,081	
Cash and cash equivalents at end of year		4,143,481		1,833,326	

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2025

1 Accounting policies

Company information

API Software Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is The Garment Factory, 10 Montrose Street, Glasgow, G1 1RE.

The group consists of API Software Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company API Software Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 January 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

1 Accounting policies (Continued)

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and parent company have adequate resources to continue in operational existence for the foreseeable future.

The current year results show a loss for the financial year of £1.3 million (2024 – £2.8 million loss) and a net current liabilities position of £2.3 million as at 31 January 2025 (2024 - £0.5 million net current assets). The directors have confidence that the group and parent company have sufficient cash reserves and forecasted resources to continue to trade for at least 12 months from the date of the authorisation of these financial statements.

In making this assessment, the directors have prepared detailed cash flow projections through to January 2027. The group and parent company expect to continue with positive cash generation and to return to sustainable profitability in the financial year to 31 January 2026. Furthermore, a four-year £3 million loan facility was obtained in July 2023, which further strengthened the group and parent company's cash position. To date, the group and parent company have drawn down £2m of the facility and do not expect to utilise the remaining £1m of the facility.

Based on the above factors, the directors are satisfied that it remains appropriate for the group and parent company to prepare their financial statements on a going concern basis. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue allocable to subscriptions (hosted and non-hosted), customer support and maintenance is recognised on a straight line basis over the terms of the contract. Revenue not recognised in the profit and loss account under this policy is classified as deferred income in the balance sheet.

Sale of implementation services is recognised in the period the service is rendered to the customer.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired by the business relate to IT Software including software subscriptions. These assets are recognised at the acquisition date when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	33% straight line
----------	-------------------

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% Straight Line
Fixtures, fittings & equipment	20% Straight Line
Computer equipment	33% Straight Line

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

1 Accounting policies (Continued)

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. These investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

Basic financial assets, which include certain debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including certain creditors and bank loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the parent company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

1 Accounting policies

(Continued)

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the profit and loss account.

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken to reserves through other comprehensive income. The income and expenditure of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are taken to reserves through other comprehensive income.

1.18 Exceptional items

Exceptional items comprise costs which the directors consider material (either by their nature or amount) to the profit and loss account and where separate disclosure is necessary for an appropriate understanding of the group's financial performance.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful lives of tangible fixed assets

The directors must estimate the recoverable amounts and useful life of the group's tangible fixed assets. The directors estimate a suitable rate of depreciation and apply this to the carrying value of the group's tangible fixed assets over their useful lives. The net book value of tangible fixed assets at 31 January 2025 was £294,837 (2024 - £280,269).

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2025	2024
	£	£
Turnover analysed by class of business		
Licenses and services	20,864,211	16,051,508

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

3	Turnover and other revenue	(Continued)	
		2025	2024
		£	£
	Turnover analysed by geographical market		
	UK	17,080,177	14,130,632
	USA	1,400,248	842,391
	Rest of World	618,853	696,954
	Europe	1,764,933	381,531
		<u>20,864,211</u>	<u>16,051,508</u>
		2025	2024
		£	£
	Other significant revenue		
	Interest income	80,574	19,427
	Grants received	-	6,368
		<u>-</u>	<u>6,368</u>
4	Exceptional costs	2025	2024
		£	£
	Expenditure		
	Exceptional costs	142,997	378,027
		<u>142,997</u>	<u>378,027</u>
	In 2025, as a result of restructuring during the year, exceptional costs of £142,997 (2024 - £378,027) were incurred by the group.		
5	Operating loss	2025	2024
		£	£
	Operating loss for the year is stated after charging/(crediting):		
	Exchange differences	(8,615)	20,991
	Research and development costs	1,071,521	1,207,900
	Government grants	-	(6,368)
	Depreciation of owned tangible fixed assets	208,589	285,756
	Amortisation of intangible assets	43,725	48,963
	Operating lease charges	388,589	363,766
		<u>1,703,809</u>	<u>1,931,113</u>
6	Auditor's remuneration	2025	2024
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	29,950	19,750
		<u>29,950</u>	<u>19,750</u>

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2025 Number	2024 Number	Company 2025 Number	2024 Number
Client Services and Delivery	52	48	52	48
Sales and Marketing	33	36	33	36
Product Development	46	45	46	45
General and Administrative	30	26	30	26
Total	<u>161</u>	<u>155</u>	<u>161</u>	<u>155</u>

Their aggregate remuneration comprised:

	Group 2025 £	2024 £	Company 2025 £	2024 £
Wages and salaries	11,765,776	10,354,219	11,765,776	10,354,219
Social security costs	1,455,810	1,132,385	1,455,810	1,132,385
Pension costs	355,112	331,356	355,112	331,356
	<u>13,576,698</u>	<u>11,817,960</u>	<u>13,576,698</u>	<u>11,817,960</u>

8 Directors' remuneration

	2025 £	2024 £
Remuneration for qualifying services	766,990	603,886
Company pension contributions to defined contribution schemes	8,094	14,394
	<u>775,084</u>	<u>618,280</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2024 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2025 £	2024 £
Remuneration for qualifying services	394,936	213,485
Company pension contributions to defined contribution schemes	-	7,647
	<u>394,936</u>	<u>221,132</u>

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

9	Interest receivable and similar income	2025	2024
		£	£
	Interest income		
	Interest on bank deposits	80,574	19,427
		<u> </u>	<u> </u>
10	Interest payable and similar expenses	2025	2024
		£	£
	Interest on bank overdrafts and loans	274,248	158,041
	Interest on finance leases and hire purchase contracts	9,041	8,847
		<u> </u>	<u> </u>
	Total finance costs	283,289	166,888
		<u> </u>	<u> </u>
11	Taxation	2025	2024
		£	£
	Current tax		
	Benefit arising from a previously unrecognised tax loss or credit	(199,303)	(258,240)
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(13,101)	(584,696)
	Adjustment in respect of prior periods	-	(2,564)
		<u> </u>	<u> </u>
	Total deferred tax	(13,101)	(587,260)
		<u> </u>	<u> </u>
	Total tax credit	(212,404)	(845,500)
		<u> </u>	<u> </u>

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

11 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2025 £	2024 £
Loss before taxation	(1,486,880)	(3,604,927)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2024: 24.03%)	(371,720)	(866,269)
Tax effect of expenses that are not deductible in determining taxable profit	27,098	12,369
Tax effect of utilisation of tax losses not previously recognised	498,257	563,948
Change in unrecognised deferred tax assets	59,913	-
Adjustments in respect of prior years	-	(2,564)
Research and development tax credit	(429,679)	(531,928)
Other permanent differences	218	920
Fixed asset differences	3,509	707
Deferred tax rate changes	-	(22,683)
Taxation credit	(212,404)	(845,500)

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

12 Intangible fixed assets

Group	Software
	£
Cost	
At 1 February 2024	190,116
Additions	44,099
Disposals	(48,248)
	<hr/>
At 31 January 2025	185,967
	<hr/>
Amortisation and impairment	
At 1 February 2024	149,731
Amortisation charged for the year	43,725
Disposals	(42,210)
	<hr/>
At 31 January 2025	151,246
	<hr/>
Carrying amount	
At 31 January 2025	34,721
	<hr/> <hr/>
At 31 January 2024	40,385
	<hr/> <hr/>
Company	Software
	£
Cost	
At 1 February 2024	190,116
Additions	44,099
Disposals	(48,248)
	<hr/>
At 31 January 2025	185,967
	<hr/>
Amortisation and impairment	
At 1 February 2024	149,731
Amortisation charged for the year	43,725
Disposals	(42,210)
	<hr/>
At 31 January 2025	151,246
	<hr/>
Carrying amount	
At 31 January 2025	34,721
	<hr/> <hr/>
At 31 January 2024	40,385
	<hr/> <hr/>

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

13 Tangible fixed assets

Group	Leasehold	Fixtures, fittings	Computer	Total
	improvements	& equipment	equipment	
	£	£	£	£
Cost				
At 1 February 2024	616,301	240,468	325,441	1,182,210
Additions	30,625	28,407	164,125	223,157
At 31 January 2025	646,926	268,875	489,566	1,405,367
Depreciation and impairment				
At 1 February 2024	549,553	180,214	172,174	901,941
Depreciation charged in the year	46,808	29,821	131,960	208,589
At 31 January 2025	596,361	210,035	304,134	1,110,530
Carrying amount				
At 31 January 2025	50,565	58,840	185,432	294,837
At 31 January 2024	66,748	60,254	153,267	280,269
Company				
	Leasehold	Fixtures, fittings	Computer	Total
	improvements	& equipment	equipment	
	£	£	£	£
Cost				
At 1 February 2024	616,301	240,468	325,441	1,182,210
Additions	30,625	28,407	164,125	223,157
At 31 January 2025	646,926	268,875	489,566	1,405,367
Depreciation and impairment				
At 1 February 2024	549,553	180,214	172,174	901,941
Depreciation charged in the year	46,808	29,821	131,960	208,589
At 31 January 2025	596,361	210,035	304,134	1,110,530
Carrying amount				
At 31 January 2025	50,565	58,840	185,432	294,837
At 31 January 2024	66,748	60,254	153,267	280,269

14 Fixed asset investments

Notes	Group	2024	Company	2024
	2025	2024	2025	2024
	£	£	£	£
Investments in subsidiaries	15	-	1	1

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

14 Fixed asset investments (Continued)

Movements in fixed asset investments Company

	Shares in subsidiaries £
Cost or valuation	
At 1 February 2024 and 31 January 2025	1
Carrying amount	
At 31 January 2025	1
At 31 January 2024	1

15 Subsidiaries

Details of the company's subsidiaries at 31 January 2025 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
API Software Inc	405 Lexington Avenue, Floors 1, 7, 8 and 9, New York City, New York, 10174, United States of America	Ordinary	100.00

16 Debtors

	Group 2025 £	2024 £	Company 2025 £	2024 £
Amounts falling due within one year:				
Trade debtors	5,726,570	7,336,216	5,070,108	7,336,216
Corporation tax recoverable	199,303	258,240	199,303	258,240
Amounts owed by group undertakings	-	-	373,023	-
Other debtors	224,643	251,880	223,791	251,880
Prepayments and accrued income	1,020,036	596,247	800,039	596,247
	<u>7,170,552</u>	<u>8,442,583</u>	<u>6,666,264</u>	<u>8,442,583</u>
Deferred tax asset (note 21)	200,000	-	200,000	-
	<u>7,370,552</u>	<u>8,442,583</u>	<u>6,866,264</u>	<u>8,442,583</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 21)	645,626	832,525	645,626	832,525
	<u>645,626</u>	<u>832,525</u>	<u>645,626</u>	<u>832,525</u>
Total debtors	<u>8,016,178</u>	<u>9,275,108</u>	<u>7,511,890</u>	<u>9,275,108</u>

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

17 Creditors: amounts falling due within one year

	Notes	Group 2025 £	2024 £	Company 2025 £	2024 £
Bank loans	19	466,667	350,000	466,667	350,000
Obligations under finance leases	20	-	47,722	-	47,722
Trade creditors		801,375	575,694	721,173	575,694
Amounts owed to group undertakings		-	-	-	1
Other taxation and social security		932,740	1,468,221	919,517	1,468,221
Accruals		2,321,454	1,361,764	2,188,982	1,361,764
		<u>4,522,236</u>	<u>3,803,401</u>	<u>4,296,339</u>	<u>3,803,402</u>
Deferred income		9,926,933	6,801,105	9,300,553	6,801,105
		<u>14,449,169</u>	<u>10,604,506</u>	<u>13,596,892</u>	<u>10,604,507</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2025 £	2024 £	Company 2025 £	2024 £
Bank loans	19	1,183,333	1,650,000	1,183,333	1,650,000
Deferred income		1,180,355	2,220,000	1,180,355	2,220,000
		<u>2,363,688</u>	<u>3,870,000</u>	<u>2,363,688</u>	<u>3,870,000</u>

19 Loans and overdrafts

	Group 2025 £	2024 £	Company 2025 £	2024 £
Bank loans	1,650,000	2,000,000	1,650,000	2,000,000
	<u>1,650,000</u>	<u>2,000,000</u>	<u>1,650,000</u>	<u>2,000,000</u>
Payable within one year	466,667	350,000	466,667	350,000
Payable after one year	1,183,333	1,650,000	1,183,333	1,650,000
	<u>1,650,000</u>	<u>2,000,000</u>	<u>1,650,000</u>	<u>2,000,000</u>

Amounts included in bank loans is a four-year loan facility obtained in July 2023 with security over all property, assets and undertakings being held by the provider.

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

20 Finance lease obligations

	Group 2025 £	2024 £	Company 2025 £	2024 £
Future minimum lease payments due under finance leases:				
Within one year	-	47,722	-	47,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Assets 2025 £	Assets 2024 £
Accelerated capital allowances	(74,953)	(72,221)
Tax losses	901,514	897,519
Short term timing differences	19,065	7,227
	<u>845,626</u>	<u>832,525</u>
	<u> </u>	<u> </u>
	Assets	Assets
	2025	2024
	£	£
Company		
Accelerated capital allowances	(74,953)	(72,221)
Tax losses	901,514	897,519
Short term timing differences	19,065	7,227
	<u>845,626</u>	<u>832,525</u>
	<u> </u>	<u> </u>
	Group	Company
	2025	2025
	£	£
Movements in the year:		
Asset at 1 February 2024	(832,525)	(832,525)
Credit to profit or loss	(13,101)	(13,101)
	<u> </u>	<u> </u>
Asset at 31 January 2025	<u>(845,626)</u>	<u>(845,626)</u>
	<u> </u>	<u> </u>

The above deferred tax asset relates to carried forward tax losses and has been recognised on the basis that the company is expected to return to profitability in the year ended 31 January 2026. As such, the deferred tax asset set out above is expected to reverse starting in that year and then in subsequent years.

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

22 Retirement benefit schemes

	2025	2024
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	355,112	331,356

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

Group and company	2025	2024	2025	2024
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of 0.01p each	150,028	240,069	15	24
A Ordinary shares of 0.01p each	131,878	129,140	13	13
	<u>281,906</u>	<u>369,209</u>	<u>28</u>	<u>37</u>
Preference share capital	2025	2024	2025	2024
Issued and fully paid	Number	Number	£	£
A Preferred shares of 0.01p each	761,968	671,927	76	67
	<u>761,968</u>	<u>671,927</u>	<u>76</u>	<u>67</u>
Preference shares classified as equity			<u>76</u>	<u>67</u>
Total equity share capital			<u>104</u>	<u>104</u>

All share categories rank equally in respect of entitlement to vote and to receive dividends. A preferred shares rank in priority in entitlement to receive the proceeds of sale in the event of the sale of the business.

Between 19 February 2024 and 27 February 2024, a total of 18,500 A ordinary shares at par value of £0.0001 were repurchased by the company for a total aggregate consideration of £1.85. These shares were subsequently cancelled within the same time period.

On 2 August 2024 5,000 A ordinary shares at par value of £0.0001 were repurchased by the company for a total consideration of £0.50. These shares were subsequently cancelled on the same day.

On 31 August 2024, 90,041 ordinary shares were reclassified as A preferred shares.

On 3 September 2024, 2,000 A ordinary shares at par value of £0.0001 were repurchased by the company for a total consideration of £0.20. These shares were subsequently cancelled on the same day.

Between 8 October 2024 and 17 October 2024, 28,238 A ordinary shares were issued at par value of £0.0001 each for a total consideration of £2.83.

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

24 Share premium account

The share premium represents the value paid for shares issued by the company in excess of their nominal value.

25 Profit and loss reserves

Profit and loss reserves represent cumulative losses incurred by the group.

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2025 £	2024 £	Company 2025 £	2024 £
Within one year	450,736	323,496	450,736	323,496
Between two and five years	1,370,968	1,142,226	1,370,968	1,142,226
In over five years	-	50,480	-	50,480
	<u>1,821,704</u>	<u>1,516,202</u>	<u>1,821,704</u>	<u>1,516,202</u>

27 Related party transactions

During the year monitoring fees were incurred from Scottish Equity Partners, totalling £20,000 (2024 - £20,000).

The company has taken advantage of the exemption available under paragraph 33.1A of Financial Reporting Standard 102 not to disclose transactions with any wholly owned subsidiary undertaking within the group.

28 Controlling party

The company is controlled by Sep V LP, which has its registered office at 17 Blythswood Square, Glasgow, Scotland, G2 4AD.

API SOFTWARE LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2025

29 Cash generated from/(absorbed by) group operations

	2025 £	2024 £
Loss for the year after tax	(1,274,476)	(2,759,427)
Adjustments for:		
Taxation credited	(212,404)	(845,500)
Finance costs	283,289	166,888
Investment income	(80,574)	(19,427)
Amortisation and impairment of intangible assets	43,725	48,963
Depreciation and impairment of tangible fixed assets	208,589	285,756
Movements in working capital:		
Decrease/(increase) in debtors	1,213,094	(2,586,845)
Increase in creditors	2,709,101	4,751,442
Cash generated from/(absorbed by) operations	<u>2,890,344</u>	<u>(958,150)</u>

30 Analysis of changes in net funds/(debt) - group

	1 February 2024 £	Cash flows		31 January 2025 £
Cash at bank and in hand	1,833,326	2,310,155		4,143,481
Borrowings excluding overdrafts	(2,000,000)	350,000		(1,650,000)
Obligations under finance leases	(47,722)	47,722		-
	<u>(214,396)</u>	<u>2,707,877</u>		<u>2,493,481</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.