

OS AA01

Statement of details of parent law and other information for an overseas company



Companies House

FC030765AA2

✓ What this form is for
You may use this form to accompany your accounts disclosed under parent law.

✗ What this form is NOT for
You cannot use this form to register an alteration of manner of compliance with accounting requirements.

For further information, please refer to our guidance at www.gov.uk/companieshouse

Part 1 Corporate company name

Corporate name of overseas company ①

NDEVOR SYSTEMS LIMITED

UK establishment number

B R 0 1 5 8 2 5

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

① This is the name of the company in its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and audited.

Legislation ②

Companies Act 2014

② This means the relevant rules or legislation which regulates the preparation of accounts.

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

No. Go to Section A3.

Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3.

③ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ③

The Institute of Chartered Accountants in Ireland

THURSDAY



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JNI

29/06/2023

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OS AA01

Statement of details of parent law and other information for an overseas company

A3

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

No. Go to Part 3 'Signature'.

Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.

Ⓛ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body Ⓛ

The Institute of Chartered Accountants in Ireland

Part 3

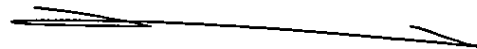
Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Jillian O'Sullivan
Company name	Grant Thornton
Address	13-18 City Quay
Post town	
County/Region	Dublin 2
Postcode	D 0 2 E D 7 0
Country	Ireland
DX	
Telephone	00353 91 533924

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and, if appropriate, the registered number, match the information held on the public Register.
- You have completed all sections of the form, if appropriate.
- You have signed the form.

Important information

Please note that all this information will appear on the public record.

Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.

Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



Consolidated Financial Statements

Ndevor Systems Limited and Subsidiaries

For the financial year ended 31 December 2020

Registered number: 369210

Ndevor Systems Limited and Subsidiaries

General Information

Directors	James Myerscough Ronan Perceval Patrick Garvey Olivia Leonard Jonathan James Klahr Janna Ronert (appointed 13 May 2021) Paolo Braguzzi (appointed 13 May 2021)
Company secretary	John Kennedy
Registered number	369210
Registered office	Anglesea Mills 9 Anglesea Row Off Little Britain Street Dublin 7
Independent auditor	Grant Thornton Chartered Accountants & Statutory Audit Firm 13-18 City Quay Dublin 2
Banker	Bank of Ireland College Green Dublin 2
Solicitor	LK Shields 39/40 Upper Mount Street Dublin 2

Contents

	Page
Directors' report	1 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 8
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Company statement of financial position	11
Consolidated statement of changes in equity	12
Company statement of changes in equity	13
Consolidated statement of cash flows	14
Consolidated analysis of net debt	15
Notes to the financial statements	16 - 37

Directors' report

For the financial year ended 31 December 2020

The directors present their annual report and the audited consolidated financial statements for the financial year ended 31 December 2020.

Principal activities

The principal activities of Ndevor Systems Limited (the 'Company') and its subsidiaries (collectively known as the 'Group') are the development and sale of software for the hair and beauty industry and the provision of marketing and booking services.

Business review

Ndevor Systems Limited and Subsidiaries (the "Group") has decreased turnover from €17,345,358 in 2019 to €16,581,037 in 2020. The directors have noted that this is due to the impact of Covid-19 on our customers' operations. However, with the easing of Covid-19 restrictions, the business is expected to continue back to its good growth path with its ongoing investment in new markets and platform reserach and development (R&D).

Results and dividends

The consolidated profit for the financial year, after taxation, amounted to €664,547 (2019 - loss €924,109).

The directors do not recommend a payment of a dividend during the financial year.

Directors, secretary and their interests

In accordance with Section 329 of the Companies Act 2014, the Group's directors' and the Group's secretary's shareholdings and the movements therein during the financial year ended 31 December 2020 were as follows:

	"A" Ordinary shares of 1c each	
	31/12/20	1/1/20
James Myerscough	-	-
Ronan Perceval	36,365	38,097
Patrick Garvey	3,959	3,959
Olivia Leonard	-	-
Jonathan James Klahr	-	-
Company secretary		
John Kennedy	-	-
	<hr/>	<hr/>
	40,324	42,056
	<hr/>	<hr/>

Directors' report (continued)

For the financial year ended 31 December 2020

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the Group are in the following categories:

Economic

The Group is exposed to the risk of foreign exchange losses, increased interest rates and or inflation having an adverse impact on served markets.

Competitor

The directors of the Group manage competition through close attention to market research, benchmarking with competition, and recruitment of highly skilled professional staff.

Financial

The Group prepares regular cash flow forecass to review liquidity requirements, and has prepared detailed plans covering the next 12 months of trading. The plan is updated on a regular basis as and when new information becomes available. The directors have financial reporting procedures to manage credit, liquidity and other financial risk.

Significant events during the financial year

On January 30, 2020, the World Health Organization declared the recent coronavirus disease 2019 ("COVID-19") outbreak a global health emergency and was elevated to "pandemic" status on March 11, 2020. Following these events, numerous jurisdictions issued shelter in place orders requesting or requiring residents to remain at home. The Group's business could experience losses resulting from COVID-19 as a result of complete or partial closure of the Group's clients' facilities, labor shortages, disruptions in public and private infrastructure, increased cybersecurity risk as well as unforeseen perils. Management is taking actions it considers prudent to minimize the impact on the Group's operations. However, given the ongoing uncertainty surrounding the duration, magnitude and geographic reach of COVID-19, the Company continues to evaluate the impact of COVID-19 on its business and operations.

In May 2020, the Group negotiated additional funding amounting to €1,500,000 from Bank of Ireland. Bank of Ireland also holds a floating debenture over the Company in respect of the loan provided. Further, an SEF loan was received from Enterprise Ireland amounting to €800,000. The loan is non-interest bearing.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at Anglesea Mills, 9 Anglesea Row, Off Little Britain Street, Dublin 7.

Events since the end of the financial year

In March 2021, the Group completed the issuance of additional funding of €15,000,000 representing preference shares. There have been no other significant events affecting the Group since the period end and the directors do not envisage any substantial changes to the nature of the business in the foreseeable future.

Future developments

The directors do not envisage any substantial changes to the nature of the business.

Directors' report (continued)

For the financial year ended 31 December 2020

Research and development activities

The Group invests each financial year in research and development of new products. The total expenditure during the financial year was €2,699,728 (2019: €2,177,185) of which €nil was deferred to future periods.

Statement on relevant audit information

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

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

Auditor

The auditor, Grant Thornton, continues in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.



.....
Jonathan Klahr
Director



.....
Ronan Perceval
Director

Date: 11/10/2021

Directors' responsibilities statement

For the financial year ended 31 December 2020

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

Irish company law requires the directors to prepare the Group and Company financial statements for each financial year. Under the law, the directors have elected to prepare the Group and Company financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for ensuring that the Group and the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the Group to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



.....
Jonathan Klahr
Director



.....
Ronan Perceval
Director

Date: 11/10/2021



Independent auditor's report to the members of Ndevor Systems Limited and Subsidiaries

Opinion

We have audited the financial statements of Ndevor Systems Limited (the 'Company') and its subsidiaries (the 'Group') which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity, the Consolidated Statement of cash flows for the financial year ended 31 December 2020, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, Ndevor Systems Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Group and the Company as at 31 December 2020 and of the Group financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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's or the Company's ability to continue as a going concern for a period of at least twelve months from the date 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.

Independent auditor's report to the members of Ndevor Systems Limited and Subsidiaries (continued)

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Group and the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Independent auditor's report to the members of Ndevor Systems Limited and Subsidiaries (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine 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, management is responsible for assessing the Group and 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 management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The auditor's 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 (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to the members of Ndevor Systems Limited and Subsidiaries (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Shelley
for and on behalf of
Grant Thornton
Chartered Accountants &
Statutory Audit Firm
13-18 City Quay
Dublin 2

Date: 11/10/2021

Consolidated statement of comprehensive income

For the financial year ended 31 December 2020

	Note	2020 €	2019 €
Turnover	4	16,581,037	17,345,358
Cost of sales		(1,874,104)	(2,450,906)
Gross profit		14,706,933	14,894,452
Administrative expenses		(15,348,500)	(16,389,715)
Other operating income	5	1,373,746	610,206
Operating profit/(loss)	6	732,179	(885,057)
Interest payable and similar expenses	10	(36,216)	(7,813)
Profit/(loss) before taxation		695,963	(892,870)
Tax on profit/(loss)	11	(31,416)	(31,239)
Profit/(loss) for the financial year		664,547	(924,109)
Other comprehensive income			
Foreign currency translation		1,603	57,276
Other comprehensive income for the financial year		1,603	57,276
Total comprehensive income/(loss) for the financial year		666,150	(866,833)
Profit/(loss) for the financial year attributable to:			
Owners of the parent Company		664,547	(924,109)

All amounts relate to continuing operations.

The notes on pages 16 to 37 form part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2020

	Note	2020 €	2019 €
Fixed assets			
Intangible assets	12	59,997	90,215
Tangible assets	13	370,282	452,918
		<u>430,279</u>	<u>543,133</u>
Current assets			
Stocks	15	-	76,404
Debtors: amounts falling due within one year	16	1,070,982	2,159,855
Cash at bank and in hand	17	8,657,651	3,428,957
		<u>9,728,633</u>	<u>5,665,216</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(4,450,668)	(3,029,115)
		<u>5,277,965</u>	<u>2,636,101</u>
Net current assets			
		<u>5,708,244</u>	<u>3,179,234</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	20	(1,862,860)	-
		<u>3,845,384</u>	<u>3,179,234</u>
Net assets			
Capital and reserves			
Called up share capital presented as equity	22	1,443	1,443
Share premium account	23	6,280,036	6,280,036
Profit and loss account	23	(2,436,095)	(3,102,245)
		<u>3,845,384</u>	<u>3,179,234</u>
Shareholders' funds			
		<u>3,845,384</u>	<u>3,179,234</u>

The consolidated financial statements were approved and authorised for issue by the board:



Jonathan Klahr
Director



Ronan Perceval
Director

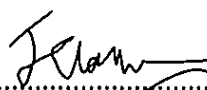
The notes on pages 16 to 37 form part of these financial statements.

Company statement of financial position

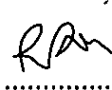
As at 31 December 2020

	Note	2020 €	2019 €
Fixed assets			
Intangible assets	12	59,997	80,000
Tangible assets	13	352,039	444,733
Financial assets	14	35,080	35,080
		<u>447,116</u>	<u>559,813</u>
Current assets			
Stocks	15	-	76,404
Debtors: amounts falling due within one year	16	1,592,023	2,002,178
Cash at bank and in hand	17	7,232,188	3,184,077
		<u>8,824,211</u>	<u>5,262,659</u>
Current liabilities			
Creditors: amounts falling due within one year	18	(3,975,071)	(2,831,069)
		<u>4,849,140</u>	<u>2,431,590</u>
Net current assets		<u>5,296,256</u>	<u>2,991,403</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	20	(1,633,459)	-
		<u>3,662,797</u>	<u>2,991,403</u>
Net assets		<u>3,662,797</u>	<u>2,991,403</u>
Capital and reserves			
Called up share capital presented as equity	22	1,443	1,443
Share premium account	23	6,190,036	6,190,036
Profit and loss account	23	(2,528,682)	(3,200,076)
		<u>3,662,797</u>	<u>2,991,403</u>
Shareholders' funds		<u>3,662,797</u>	<u>2,991,403</u>

The financial statements were approved and authorised for issue by the board:



 Jonathan Klar
 Director



 Ronan Perceval
 Director

Date: 11/10/2021

The notes on pages 16 to 37 form part of these financial statements.

Consolidated statement of changes in equity

For the financial year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	€	€	€	€	€
At 1 January 2020	1,443	6,280,036	(3,102,245)	3,179,234	3,179,234
Comprehensive income for the financial year					
Profit for the financial year	-	-	664,547	664,547	664,547
Foreign currency translation	-	-	1,603	1,603	1,603
At 31 December 2020	1,443	6,280,036	(2,436,095)	3,845,384	3,845,384

Consolidated statement of changes in equity

For the financial year ended 31 December 2019

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	€	€	€	€	€
At 1 January 2019	1,443	6,280,036	(2,235,412)	4,046,067	4,046,067
Comprehensive loss for the financial year					
Loss for the financial year	-	-	(924,109)	(924,109)	(924,109)
Foreign currency translation	-	-	57,276	57,276	57,276
At 31 December 2019	1,443	6,280,036	(3,102,245)	3,179,234	3,179,234

The notes on pages 16 to 37 form part of these financial statements.

Company statement of changes in equity

For the financial year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2020	1,443	6,190,036	(3,200,076)	2,991,403
Comprehensive income for the financial year				
Profit for the financial year	-	-	671,394	671,394
At 31 December 2020	<u>1,443</u>	<u>6,190,036</u>	<u>(2,528,682)</u>	<u>3,662,797</u>

Company statement of changes in equity

For the financial year ended 31 December 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2019	1,443	6,190,036	(2,255,793)	3,935,686
Comprehensive loss for the financial year				
Loss for the financial year	-	-	(944,283)	(944,283)
At 31 December 2019	<u>1,443</u>	<u>6,190,036</u>	<u>(3,200,076)</u>	<u>2,991,403</u>

The notes on pages 16 to 37 form part of these financial statements.

Ndevor Systems Limited and Subsidiaries

Consolidated statement of cash flows

For the financial year ended 31 December 2020

	2020 €	2019 €
Cash flows from operating activities		
Profit/(loss) before tax for the financial year	695,963	(892,870)
Adjustments for:		
Amortisation of intangible assets	30,218	58,093
Depreciation of tangible assets	218,988	183,053
Loss/(gain) on disposal of tangible assets	64,568	(8,554)
Interest paid	36,216	7,813
Taxation charge	31,416	31,239
Decrease in stocks	76,404	24,628
Decrease/(increase) in debtors	1,088,873	(908,609)
Increase in creditors	812,907	101,568
Corporation tax paid	(31,416)	(31,239)
Net cash generated from/(used in) operating activities	<u>3,024,137</u>	<u>(1,434,878)</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(100,000)
Purchase of tangible fixed assets	(245,875)	(333,363)
Sale of tangible fixed assets	44,955	20,419
Net cash used in investing activities	<u>(200,920)</u>	<u>(412,944)</u>
Cash flows from financing activities		
Loans obtained during the period	2,529,401	-
Repayment of loans	(95,527)	(141,614)
Interest paid	(30,000)	(7,813)
Net cash from/(used in) financing activities	<u>2,403,874</u>	<u>(149,427)</u>
Net increase/(decrease) in cash and cash equivalents	<u>5,227,091</u>	<u>(1,997,249)</u>
Cash and cash equivalents at beginning of financial year	3,428,957	5,400,169
Effects of forex	1,603	26,037
Cash and cash equivalents at the end of financial year	<u>8,657,651</u>	<u>3,428,957</u>
Cash and cash equivalents at the end of financial year comprise:		
Cash at bank and in hand	<u>8,657,651</u>	<u>3,428,957</u>

The notes on pages 16 to 37 form part of these financial statements.

Consolidated analysis of net debt

For the financial year ended 31 December 2020

	At 1 January 2020 €	Movement €	At 31 December 2020 €
Cash at bank and in hand	3,428,957	5,228,694	8,657,651
Debt due after 1 year	-	(1,862,860)	(1,862,860)
Debt due within 1 year	(42,911)	(541,014)	(583,925)
	<u>3,386,046</u>	<u>2,824,820</u>	<u>6,210,866</u>

The notes on pages 16 to 37 form part of these financial statements.

Notes to the financial statements

For the financial year ended 31 December 2020

1. General information

Ndevor Systems Limited (the 'Company') is a company limited by shares and registered in the Republic of Ireland. Its registered office is Anglesea Mills, 9 Anglesea Row, Off Little Britain Street, Dublin 7. The Company is tax resident in the Republic of Ireland.

The principal activities of the Company and its subsidiaries (collectively known as the 'Group') are the development and sale of software for the hair and beauty industry and the provision of marketing and booking services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The consolidated financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of consolidated financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 304 of the Companies Act 2014 and has not presented its own Statement of comprehensive income in these financial statements.

The consolidated financial statements are presented in Euro (€), which is also the Company's functional currency.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities.

The existence and effect of substantive potential voting rights that the Group has the practical ability to exercise are considered when assessing whether the Group controls another entity.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

After reviewing the companies forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Euros at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The following are the conditions for the recognition of income:

- Recurring revenues are recognised on a monthly basis; and
- Once off sales and set-up fees are recognised on completion.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of comprehensive income on a straight line basis over the lease term.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project where it is not possible to demonstrate that the project will generate future economic benefits all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.9 Finance costs

Finance costs are charged to the Consolidated Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in the Consolidated Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

2.12 Cumulative redeemable preference shares

Preference shares that are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in creditors due after more than one financial year. The dividends on these preference shares are recognised in the income statement as interest expense.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

The technical feasibility of completing the software so that it will be available for use or sale.

- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Software development costs - 10 financial years
- Client base - 5 financial years

All intangible assets are considered to have a finite useful life.

Since 2011, software development costs have not been capitalised. This policy is reviewed on an annual basis.

2.14 Tangible fixed assets

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

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of comprehensive income during the period in which they are incurred.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- 5 financial years
Motor vehicles	- 5 financial years
Fixtures, fittings and equipment	- 3 financial years
Purchased Software	- 5 financial years

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

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

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Financial assets

Financial assets, including investments in subsidiary undertakings are shown at cost less provisions for impairment in value.

Investments intended to be held for the long term are classified as fixed financial assets. Investments not intended to be held for the long term are classified as investments in current assets.

Income from financial assets, together with any related withholding tax, is recognised in the income statement in the financial year in which it is receivable.

2.17 Impairment of assets

At each reporting date all fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in Consolidated Statement of comprehensive income.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior financial years. A reversal of an impairment loss is recognised immediately in Consolidated Statement of comprehensive income.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.18 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.19 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, inclusive of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.21 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, inclusive of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

Notes to the financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.22 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of financial statement and the reported amount of income and expenses during the reporting period. Management evaluates its judgments on an ongoing basis. The following judgment and estimates is considered important to the portrayal of the Group and Company's financial condition.

Provision for impairment of financial and intangible assets

Determining whether the carrying value of financial and intangible assets have been impaired requires an estimation of the value in use of the investment in subsidiaries. The directors are satisfied that the carrying value of the Group company's financial and intangible assets are at least equal to their realisable amount and therefore unimpaired.

Useful lives of depreciable assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors annually review those asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, properties economic utilisation and physical condition of the assets concerned.

Allowance for doubtful trade receivables

The Group estimates the allowance for doubtful trade receivables based on assessment of specific accounts where the Company has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances.

Carrying value of investments in subsidiaries

Determining whether the carrying value of investments has been impaired requires an estimation of the value in use if the investment in subsidiaries and joint venture vehicles. The value in use calculation requires the directors to estimate the future cash flows expected to arrive from these vehicles and a suitable discount rate in order to calculate present value. After reviewing these calculations, the directors are satisfied that a net impairment cost of €Nil (2019: €Nil) should be recognised.

Notes to the financial statements

For the financial year ended 31 December 2020

4. Turnover

The Group's turnover is in respect of its principal activity of development and sale of software and the provision of marketing and booking services for the hair and beauty industry. Turnover is generated in Ireland, UK, North America, Australia, and Germany, the analysis of which is presented below:

	2020 €	2019 €
UK and Ireland	11,753,610	13,662,241
North America	2,996,551	2,418,325
Germany	1,190,760	852,308
Australia	640,117	412,484
	<u>16,581,038</u>	<u>17,345,358</u>

5. Other operating income

	2020 €	2019 €
Other income	636	-
R&D tax credit	127,985	-
Government grants	533,915	610,206
Wages subsidy	711,210	-
	<u>1,373,746</u>	<u>610,206</u>

6. Profit/(loss) on ordinary activities before taxation

The operating profit/(loss) is stated after charging/(crediting):

	2020 €	2019 €
Depreciation of tangible fixed assets	218,988	183,053
Operating lease rentals	360,449	398,010
Amortisation of intangible assets, including goodwill	30,218	58,093
Directors' remuneration	162,328	182,013
Auditor's fee	32,500	36,000
Exchange differences	(160,336)	28,259
Directors' pension	25,000	12,000
Defined contribution pension cost	152,309	222,095
	<u>152,309</u>	<u>222,095</u>

Notes to the financial statements

For the financial year ended 31 December 2020

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 €	2019 €
Wages and salaries	8,932,497	8,731,778
Social insurance costs	860,806	981,491
Cost of defined contribution scheme	152,309	222,095
	<u>9,945,612</u>	<u>9,935,364</u>

The average monthly number of employees, including the directors, during the financial year was as follows:

	2020 No.	2019 No.
Administration	32	42
Operations and support	43	51
Development	38	35
Sales	55	41
	<u>168</u>	<u>169</u>

8. Directors' remuneration

	2020 €	2019 €
Directors' emoluments	162,328	182,013
Directors' fees	-	63,560
Directors' pension	25,000	12,000
	<u>187,328</u>	<u>257,573</u>

Key management personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is as above.

9. Pension contributions

The Group operates a defined contribution pension scheme that covers substantially all the employees of the Group. The assets of the scheme are vested in independent trustees for the sole benefit of those employees. The pension charge represents contributions due from the Group and amounted to €152,309 (2019: €174,177). An accrual arose at year-end amounting to €10,329 (2019: €46,227).

Notes to the financial statements

For the financial year ended 31 December 2020

10. Interest payable and similar expenses

	2020 €	2019 €
Bank loan interest payable	<u>36,216</u>	<u>7,813</u>

11. Taxation

	2020 €	2019 €
Corporation tax		
Current tax on profit (loss) for the financial year	<u>31,416</u>	<u>31,239</u>
Taxation on profit on ordinary activities	<u>31,416</u>	<u>31,239</u>

Factors affecting tax charge for the financial year

The tax assessed for the financial year is lower than (2019: higher than) the profit/(loss) for the financial year multiplied by the standard rate of corporation tax in Ireland of 12.5% (2019 - 12.5%). The differences are explained below:

	2020 €	2019 €
Profit/(loss) on ordinary activities before tax	<u>695,963</u>	<u>(892,870)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2019 - 12.5%)	86,995	(111,609)
Effects of:		
Amortisation	-	8,091
Expenses not deductible for tax purposes	74,060	7,610
Provision tax adjustment	333	50
Other deductions	(84,264)	-
Unrelieved tax losses carried forward	(76,866)	112,890
Permanent differences	<u>31,158</u>	<u>14,207</u>
Total tax charge for the financial year	<u>31,416</u>	<u>31,239</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

No deferred tax asset has been recognised as future profits are not virtually certain.

Notes to the financial statements

For the financial year ended 31 December 2020

12. Intangible assets

Group

	Development costs €	Client base €	Total €
Cost			
At 1 January 2020	675,903	100,000	775,903
At 31 December 2020	<u>675,903</u>	<u>100,000</u>	<u>775,903</u>
Amortisation			
At 1 January 2020	665,688	20,000	685,688
Charge for the financial year	10,215	20,003	30,218
At 31 December 2020	<u>675,903</u>	<u>40,003</u>	<u>715,906</u>
Net book value			
At 31 December 2020	<u>-</u>	<u>59,997</u>	<u>59,997</u>
At 31 December 2019	<u>10,215</u>	<u>80,000</u>	<u>90,215</u>

Notes to the financial statements

For the financial year ended 31 December 2020

12. Intangible assets (continued)

Company

	Development costs €	Client base €	Total €
Cost			
At 1 January 2020	574,086	100,000	674,086
At 31 December 2020	<u>574,086</u>	<u>100,000</u>	<u>674,086</u>
Amortisation			
At 1 January 2020	574,086	20,000	594,086
Charge for the financial year	-	20,003	20,003
At 31 December 2020	<u>574,086</u>	<u>40,003</u>	<u>614,089</u>
Net book value			
At 31 December 2020	<u>-</u>	<u>59,997</u>	<u>59,997</u>
At 31 December 2019	<u>-</u>	<u>80,000</u>	<u>80,000</u>

Notes to the financial statements

For the financial year ended 31 December 2020

13. Tangible fixed assets

Group

	Long-term leasehold property €	Motor vehicles €	Fixtures and fittings €	Purchased software €	Total €
Cost or valuation					
At 1 January 2020	222,318	270,576	603,648	380,948	1,477,490
Additions	86,913	23,641	135,321	-	245,875
Disposals	-	(263,215)	-	-	(263,215)
At 31 December 2020	<u>309,231</u>	<u>31,002</u>	<u>738,969</u>	<u>380,948</u>	<u>1,460,150</u>
Depreciation					
At 1 January 2020	88,503	162,192	392,929	380,948	1,024,572
Charge for the financial year	59,481	22,502	137,005	-	218,988
Disposals	-	(153,692)	-	-	(153,692)
At 31 December 2020	<u>147,984</u>	<u>31,002</u>	<u>529,934</u>	<u>380,948</u>	<u>1,089,868</u>
Net book value					
At 31 December 2020	<u>161,247</u>	<u>-</u>	<u>209,035</u>	<u>-</u>	<u>370,282</u>
At 31 December 2019	<u>133,815</u>	<u>108,384</u>	<u>210,719</u>	<u>-</u>	<u>452,918</u>

The net book value of land and buildings may be further analysed as follows:

	2020 €	2019 €
Long leasehold	<u>161,247</u>	<u>133,815</u>

Notes to the financial statements

For the financial year ended 31 December 2020

11. Tangible fixed assets (continued)

Company

	Long-term leasehold property €	Motor vehicles €	Fixtures, fittings and equipment €	Purchased software €	Total €
Cost or valuation					
At 1 January 2020	222,318	270,576	592,614	380,948	1,466,456
Additions	86,913	23,641	118,014	-	228,568
Disposals	-	(263,215)	-	-	(263,215)
At 31 December 2020	<u>309,231</u>	<u>31,002</u>	<u>710,628</u>	<u>380,948</u>	<u>1,431,809</u>
Depreciation					
At 1 January 2020	88,503	162,192	390,080	380,948	1,021,723
Charge for the financial year	59,481	22,502	129,756	-	211,739
Disposals	-	(153,692)	-	-	(153,692)
At 31 December 2020	<u>147,984</u>	<u>31,002</u>	<u>519,836</u>	<u>380,948</u>	<u>1,079,770</u>
Net book value					
At 31 December 2020	<u>161,247</u>	<u>-</u>	<u>190,792</u>	<u>-</u>	<u>352,039</u>
At 31 December 2019	<u>133,815</u>	<u>108,384</u>	<u>202,534</u>	<u>-</u>	<u>444,733</u>

Notes to the financial statements

For the financial year ended 31 December 2020

14. Financial assets

Company

	Investments in subsidiary companies €
Cost or valuation	
At 1 January 2020	35,080
At 31 December 2020	<u>35,080</u>
Net book value	
At 31 December 2020	<u>35,080</u>
At 31 December 2019	<u>35,080</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Myzanadoo Web Bookings Limited	Ordinary	100%
Phorest Inc.	Ordinary	100%
Phorest Software Limited	Ordinary	100%
Phorest PTY	Ordinary	100%
Phorest GmbH	Ordinary	100%

15. Stocks

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Goods for resale	-	76,404	-	76,404

There are no material differences between the replacement cost of stock and the Consolidated statement of financial position amounts.

Stock represents goods purchased ready for resale. The replacement costs of stock did not differ significantly from the amount included in the Consolidated and Company statement of financial position.

Notes to the financial statements

For the financial year ended 31 December 2020

16. Debtors: Amounts falling due within one year

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Trade debtors	116,087	557,296	-	432,765
Amounts owed by group undertakings	-	-	767,430	108,887
Other debtors	212,079	675,206	211,696	673,333
Prepayments	742,816	927,353	612,897	787,193
	<u>1,070,982</u>	<u>2,159,855</u>	<u>1,592,023</u>	<u>2,002,178</u>

Trade debtors represent debtors arising from trade and are measured net of allowance for doubtful accounts.

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Prepayments and other debtors represents advances for operating expenditures and are expected to be used within the next financial period.

17. Cash and cash equivalents

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Cash at bank and in hand	<u>8,657,651</u>	<u>3,428,957</u>	<u>7,232,188</u>	<u>3,184,077</u>

18. Creditors: Amounts falling due within one year

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Bank loans	583,925	-	583,925	-
Other loans	-	42,911	-	42,911
Trade creditors	838,128	406,514	774,828	226,143
Amounts owed to group undertakings	-	-	129,360	150,472
Corporation tax	39,270	39,228	-	-
Taxation and social insurance	1,839,989	1,011,078	1,746,533	964,435
Other creditors	31,740	56,583	20,351	37,506
Accruals	901,686	870,648	599,180	814,540
Deferred income	215,930	482,661	120,894	475,570
Derivative liability	-	119,492	-	119,492
	<u>4,450,668</u>	<u>3,029,115</u>	<u>3,975,071</u>	<u>2,831,069</u>

Notes to the financial statements

For the financial year ended 31 December 2020

Creditors: Amounts falling due within one year (continued)

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
PAYE/NI	727,840	281,761	681,734	269,972
VAT	1,112,149	729,317	1,064,799	694,463
	<u>1,839,989</u>	<u>1,011,078</u>	<u>1,746,533</u>	<u>964,435</u>

Trade and other creditors, including accruals, are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

Taxation and social insurance are payable at various dates over the coming months in accordance with applicable statutory provisions. In 2020, the group availed of HMRC's and Revenue tax authority's Covid tax payment deferral schemes for VAT and PAYE/NI. The deferred liabilities will be paid in 2021.

Deferred income represents unearned portion of customer's advances.

19. Directors' account

As at 31 December 2020 and 2019, directors' account amounted €1,590. No repayments were made during the financial year.

20. Creditors: Amounts falling due after more than one year

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Bank loans	833,459	-	833,459	-
Other loans	1,029,401	-	800,000	-
	<u>1,862,860</u>	<u>-</u>	<u>1,633,459</u>	<u>-</u>

Notes to the financial statements

For the financial year ended 31 December 2020

21. Loans

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Amounts falling due within one year				
Bank loans	583,925	-	583,925	-
Other loans	-	42,911	-	42,911
	<u>583,925</u>	<u>42,911</u>	<u>583,925</u>	<u>42,911</u>
Amounts falling due 1-2 years				
Bank loans	833,459	-	833,459	-
Other loans	1,029,401	-	800,000	-
	<u>2,446,785</u>	<u>42,911</u>	<u>2,217,384</u>	<u>42,911</u>

During the financial year, the Company obtained a non-interest bearing loan from Enterprise Ireland as part of its SEF Framework amounting to €800,000, disclosed as non-current Other Loans. Bank loans include a €1,500,000 loan from the Bank of Ireland bearing interest at 4%, due in monthly payments up to May 2023.

Notes to the financial statements

For the financial year ended 31 December 2020

22. Share capital

	2020	2019
	€	€
Authorised		
4,000,000 "A" Ordinary shares of €0.01 each	40,000	40,000
6,000,000 "B" Ordinary shares of €0.01 each	60,000	60,000
4,000,000 "C" Ordinary shares of €0.01 each	40,000	40,000
	<u>140,000</u>	<u>140,000</u>
Allotted, called up and fully paid		
1,500 shares of €- each	-	-
16,038 "A" Ordinary shares of €0.01 each	1,268	1,268
1,500 "C" Ordinary shares of €0.01 each	15	15
16,000 Series B Preference shares of €0.01 each	160	160
	<u>1,443</u>	<u>1,443</u>

On the 6th June 2018, the Company repurchased all of the 9500 8% cumulative redeemable preference shares that were in issue at par. On the 6th June 2018, the Company issued 16,038 Series B preference shares at a value of €311.76, with nominal value being €0.01 per share.

All shares rank pari passu except as set out below:

The holders of A, B and C ordinary shares and Series B preference shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company and, on a poll, the holders of the A ordinary shares, B ordinary shares and Series B preference shares shall be entitled to one hundred votes per share (on an As-Converted Basis) and the holders of the C ordinary shares shall be entitled to ten votes per 100 shares.

On a liquidation basis, the distribution of proceeds shall be made to the shareholders in the following order of priority:

- firstly in repayment of all paid up capital payable in respect of the Series B preference shares,
- secondly in repayment of all paid up capital of the A, B and C Ordinary shares.

The 8% Cumulative Redeemable Preference Shares were issued on 4 August 2011. They carry a dividend of 3% per annum, payable annually in arrears. The dividend shall be accrued annually in arrears on each anniversary of the date of first allotment. The 5% dividend is deferred pending certain conditions being fulfilled. The 8% Cumulative Redeemable Preference Shares carry no voting rights at meetings. The 8% Cumulative Redeemable Preference Shares were scheduled to be redeemed during 2017, however on the basis that the Company will not have sufficient distributable reserves available until at least 2019. The 8% Cumulative Redeemable Preference Shares were redeemed during 2021.

Notes to the financial statements

For the financial year ended 31 December 2020

23. Reserves

Share capital

The called up share capital represents the nominal value of shares that have been issued.

Share premium account

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

24. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 €	Group 2019 €
Not later than 1 year	227,560	227,560
Later than 1 year and not later than 5 years	910,240	910,240
Later than 5 years	112,845	341,028
	<u>1,250,645</u>	<u>1,478,828</u>

25. Related party transactions

The Company has availed of the exemptions in FRS102 Section 33, Paragraph 33.1 A which allows non-disclosure of transactions between two or more members of a group, provided that any subsidiary which is party to the transactions is wholly owned by such a member.

26. Bank security

In 2018, Bank of Ireland holds letter of guarantee in the sum of €285,000 from Ronan Perceval, an assignment of a life policy of Ronan Perceval for an amount of €550,000, and a floating debenture over the Company in respect of a facility provided to the Company. In 2019, the guarantee was released.

In 2020, Bank of Ireland holds a letter of guarantee from Ronan Perceval representing an assignment of a life policy of Ronan Perceval amounting to €1,500,000. This is to remain in force for the duration of the facility of the same amount, which is disclosed in Note 21.

Notes to the financial statements

For the financial year ended 31 December 2020

27. Other financial commitments

The Company's local currency is Euro. The Company has sales which are denominated in pounds Sterling. As a result, the Company is subject to foreign currency exchange risk due to exchange rate movements between Euro and pounds Sterling. The Company seeks to reduce this risk by entering into forward contracts. At 31 December 2020, the Company has entered into the following forward contracts:

£250,000 expiring 31 December 2021
 £250,000 expiring 30 September 2021
 £250,000 expiring 30 June 2021
 £250,000 expiring March 2021

28. Financial instruments

	Group 2020 €	Group 2019 €
Financial assets		
Financial assets measured at fair value through profit or loss	8,985,817	595,139
Financial assets measured at amortised cost	-	4,066,320
	<u>8,985,817</u>	<u>4,661,459</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,771,554</u>	<u>1,496,148</u>

The fair value of unquoted investments is determined using an earnings multiple valuation model. Key assumptions used in the model include the price earnings multiple used. This is determined by reference to the price earnings multiple of similar quoted companies.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of other loans, trade creditors, amounts owed group undertakings, amounts owed to other participating interests, other creditors and accruals.

29. Post balance sheet events

In March 2021, the Group completed the issuance of additional funding of €15,000,000 representing preference shares. There have been no other significant events affecting the Group since the period end and the directors do not envisage any substantial changes to the nature of the business in the foreseeable future.

30. Approval of financial statements

The board of directors approved these financial statements for issue on 11/10/2021