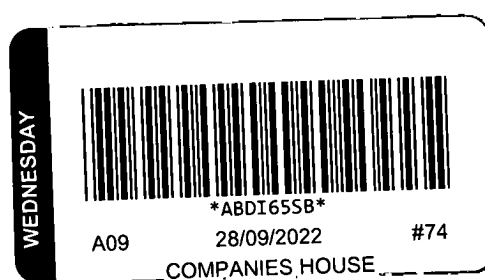




# Sedex Annual Report 2021



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# Introduction

## About Sedex

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Sedex is a world leader in responsible sourcing that aims to improve working conditions in global supply chains.

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**We provide businesses with the tools, technology platform, services and data they need to manage environmental, social and governance (ESG) issues and build a responsible business and supply chain.**

Over 66,000 member organisations use the Sedex platform and services to share ethical data, manage business risk, meet compliance, and drive positive impact on people.

We have 18 years of expertise and work with some of the world's most recognisable brands and standard setting organisations. Today, we reach over 28 million people with our tools that members use, across 170 countries.

The Sedex Strategy is designed to support our mission to drive organisations to improve the lives of the people they impact.

Our 2025 Strategy goals are to:

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- **Positively impact more people in global supply chains**, through a significant membership expansion
- **Provide the best technology to support responsible sourcing**, through transforming our industry-leading platform, suite of assessment tools and consulting services
- **Empower Sedex members to build more ethical supply chains at scale** through community, collaboration and good business practices
- **Make a genuine difference** to the lives of the people in global supply chains, by using data and measuring our impact to demonstrate that we are delivering on our vision and mission.

## Letter from the Chair

I am pleased to report on Sedex's development and growth during 2021.

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2021 was another year of change and development at Sedex as we continued our phase of significant growth in pursuit of the ambitious goals outlined as part of our 2025 Strategy. In a year that the impact of the COVID-19 pandemic was still being felt around the world, I would like to thank all of the Sedex staff for their hard work and dedication to providing our members with innovative solutions and seamless services.

As awareness of global supply chains and their impact on people and the environment increases, growth in responsible business legislation around the world continues. Where this legislation has been introduced or updated in countries such as Australia, Germany, and Norway, Sedex is working with an increasing number of organisations looking to embed responsible sourcing and ethical considerations across their supply chain.

I am pleased to report that Sedex delivered strong revenue growth in 2021 with a turnover of £20.3 million, an increase of 22% on 2020. Contributing to this growth was the nearly 250 new buyer members that joined in 2021, as well as a 29% increase in audit fees, and additional revenue from the consultancy team, as a result of our services expansion.

Growing the Sedex team has continued to increase our capabilities to meet our members' needs and deliver high quality tools and services.

We also continue to successfully build our next-generation platform – transforming how we help businesses connect, collect and use ethical data.

Whilst recognising there is growing geopolitical uncertainty, and the impacts of the pandemic are still being felt across many parts of the world, my outlook for the future is positive and I feel confident that our 2025 Strategy will deliver sustainable growth as we continue in our mission to drive organisations to improve the lives of the people they impact.

As we start a new year, I would like to warmly welcome Jon Hancock, who started with the business as our new Chief Executive Officer in January 2022. I would also like to farewell Richard Wright as our Chief Financial Officer, who retired in March 2022, and thank our outgoing Member Directors Aisha Aswani, Kevin O'Neill and Rose McGrath who completed their terms with the Board in May 2021.

Sincerely,



**Steven Esom**  
Chair of the Board

## Letter from the Chief Executive Officer

Our Chief Executive Officer, Jon Hancock, looks back on a year of change and accelerated growth at Sedex.

I am delighted to be joining Sedex this year, at a pivotal time in the organisation's growth and the great focus on environment, social and governance (ESG) in the business community.

In 2021 Sedex continued to see significant growth in our membership, staff and in the capability of Sedex tools and services. The Sedex team doubled in size, expanding to over 200 staff members – building our capabilities to deliver more value, tools and services to our members in future. We expanded our team into the US, which will be a strong market of focus for Sedex, as we seek to support more businesses to operate more responsibly and sustainably in the North American region.

The Sedex team launched a variety of innovative new tools and new platform features to support members increase visibility of their supply chains and improve the lives of the people they impact. This includes our pioneering Forced Labour Indicator tool, enabling members to take a data-driven approach to understanding where potential indicators of forced labour are identified throughout their supply chains.

We also expanded our offering to members including Sedex consulting services and our Sedex Community engagement programme. The Sedex Community is a space for members to engage in peer-to-peer learning, and collaboratively drive forward their responsible sourcing goals.

We finished the year with more than 66,000 member organisations, demonstrating the great extent of the influence Sedex has in bringing together a global membership to drive improvement in responsible business.

2021 was of course a year of rising geopolitical tensions as well as continued Covid related disruption. These issues have not had a material effect on our revenues.

Whilst post reporting period, it is important to highlight that the invasion of Ukraine in early 2022 and its effects on the region are challenging for millions of people. We are very cognisant of our need to support members during challenging times.

While these are ongoing external issues, 2021 was a highly successful year for Sedex. We continued to build the processes and talent required to achieve our mission and I look forward getting to know the team, our members, and our stakeholders in more depth throughout 2022 and beyond.

Sincerely,



**Jon Hancock**  
Chief Executive Officer

## Sedex Executive Team This is as at April 2022, at the time of publication

**Jon Hancock**  
Chief Executive Officer

**Matt Bye**  
Chief Technology Officer

**Allison Hudson**  
Director of Member and  
Customer Relations

**Charlotte Blount**  
Director of Strategy  
Delivery

**Jessica McGoverne**  
Director of Policy and  
Corporate Affairs

**Liz Aldred**  
People Director

**Mark Hooper**  
Commercial Director

**Walter Lin**  
Managing Director Asia

**Eve Pienaar**  
Company Secretary and  
Senior Legal Counsel



# Strategic report

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## The importance of responsible sourcing and key drivers

Responsible sourcing is where an organisation seeks to source their products and services ethically and sustainably, throughout each tier of their supply chain. To source responsibly, a business needs to be able to trace a product or service throughout each stage of their supply chain, and work with their business and suppliers to ensure working conditions are fair, and environmental practices are sustainable.

Sedex aims to provide the best responsible sourcing solutions for its members, helping businesses to operate more ethically, and effectively manage social and environmental impacts throughout global supply chains.

Operating responsibly has never been more important, as focus on ESG and supply chain resilience continues to increase across nations, sectors, and business. Technology and data are powerful enablers of positive and genuine change for people and the planet, and support to facilitate robust, accurate assessment of working conditions around the world.

There are a range of key drivers continuing to drive the adoption and growth of responsible business practices and ethical sourcing globally.

### Changing working conditions in supply chains

As disruptions apply new pressures and exacerbate existing fault lines in supply chains, organisations of all types must adapt to better manage these challenges. Businesses continue to experience challenges such as labour shortages, local lockdowns, and transport gridlocks, while political tensions affect sourcing capabilities.

### ESG and ethical investment

The investment community's interest in companies' ESG practices is growing. Investors, asset managers and other financial institutions are influencing companies to take action to address risks and make positive changes through offering financial incentives tied to ESG performance.

### Media and consumer awareness

Media and consumer attention on brands is likely to continue, resulting in intense scrutiny and criticism for those linked to unethical activity in their own operations or supply chains. This could include a closer focus on brands' purchasing practices, especially when companies have profited during crises.

## Legislation and increasing mandatory human rights due diligence

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In 2021 several nations passed new laws that place greater responsibility on businesses to be more transparent about their supply chains and take steps to manage risks to workers and environments, in line with human rights and environmental due diligence. Legislation is increasingly detailed and broad in scope, with some laws requiring action beyond a country's borders and deeper into supply chains.

## Business leadership

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Business leaders are driving their companies to take an increasingly holistic approach to responsible operations. There is a widespread push for companies to move away from compliance-focused strategies to more thorough due diligence activities such as risk analysis, deep-dive or targeted assessments, such as Human Rights Impact Assessments, and more effective worker and stakeholder engagement.

## Environmental impacts and climate change

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The COP26 conference in November 2021 renewed the focus on environmental targets. Many companies are putting more resources towards measuring environmental impacts across their supply chains and defining science-based targets to reduce these impacts. Businesses and governments are under pressure to demonstrate both commitment and action.

## Sedex strategic review

2021 saw significant progress for Sedex, as we continued to deliver our five-year strategy. Despite continued challenges of the COVID-19 pandemic, the Sedex membership grew to over 66,000 member organisations, demonstrating the continued focus globally on ESG and building a responsible supply chain within the business community.

We recorded Group revenue at £20.3 million a strong growth of 22%, compared with £16.6 million in 2020. Our ability to deliver this revenue was driven by investment in our sales and marketing teams to bring in more buyer members, alongside strong existing member retention.

### **At the end of 2021 we had 66,516 (+12.84%) new members**

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More than 66,000 companies in 170 countries are working with Sedex, to either improve their own practices or their supply chain visibility and ethical sourcing practices, reflecting the impact of our role to support responsible business.

### **The launch of our Sedex Community engagement programme**

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We launched the Sedex Community engagement programme, a collaborative community supporting those discovering, learning, building, and leading the way in responsible business. More than 2,400 members attended one of the 24 events run in 2021, which ranged from reporting gender data in supply chains, to practical sessions about getting the most out of our tools and services.

### **Continuing to develop our new platform**

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We successfully built the foundations of our next-generation platform and began to build, test and improve new features. Throughout the year, we gathered feedback from over 8,000 members, helping us to develop solutions that help to solve the complex challenges our members face. We built, tested and improved features including a simplified supplier onboarding process; a Site Status dashboard to make supplier data easily accessible in a single place; improved global accessibility by adding three languages and strengthened performance on the new platform, giving members access to data more quickly.

## Expanding to the US

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In November we announced that we were expanding our presence to the United States as part of our strategic goals. This growth in the US signifies an important step in achieving our ambitious strategy as we continue to transform our organisation to meet the responsible business needs of companies around the globe.

## The expansion of Sedex Consulting

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We have expanded our professional services to Sedex Consulting to support businesses in whichever area they need help most. This may be setting up a responsible sourcing programme, complying with new legislation, or taking their existing programmes to the next level with risk-driven, expert advice.

## Growing the Sedex team

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By the end of 2021, the Sedex team grew by 55%, to 203 people (both staff and contractors) across the globe in the UK, China, India, Chile, Australia, Japan, and the US. This growth signifies continued investment in our staff as our principal resource and scaling our capacity to deliver more for our members.

## Launching the SMETA for Suppliers training course

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We launched an interactive, practical, and action-oriented training course, giving suppliers an introduction to SMETA, our social audit methodology. Delivered by expert trainers around the world, this course is designed for businesses that are about to have a SMETA audit conducted at their site and want to better prepare.

## Financial review for the year ended 31 December 2021

### Turnover

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Turnover for 2021 was £20.3 million (2020: £16.6 million), a strong growth of 22%.

We were able to attract nearly 250 new buyer members in 2021 and the retention rate for existing buyer members was an excellent 96%. The total number of buyer members grew 21% to 1,179 and the number of supplier members grew by 5,016, to 65,337. As a result, total membership fees grew by 19%.

Audit fees also grew strongly, up 29%, and other revenue included the first assignments for our new consultancy team.

### Operating profit

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Group operating profit for 2021 was £2.2 million (2020: £3.0 million).

Management views the business' underlying operating earnings before interest, tax, depreciation, and amortisation ("Underlying EBITDA") as a key performance indicator, because it reflects the Group's most current and underlying profitability. 2021 Underlying EBITDA was £4.3 million (2020: £4.6 million). Turnover grew by £3.7 million and operating costs grew by £4.5 million. The main driver of the additional operating costs was expansion of teams across the business to drive the growth in member numbers, to prepare the business for that growth and to progress the five-year strategy.

A reconciliation of Underlying EBITDA to statutory operating profit is set out in Note 4 to the financial statements.

### Taxation

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Sedex is careful to ensure it complies with tax legislation in the jurisdictions within which it operates around the world and does not engage in aggressive tax planning.

Sedex has brought forward tax losses it was able to use to relieve the profits in the UK, and the tax charge of £153,000 in the year (2020: £183,000) reflects the tax borne by the overseas subsidiaries. Tax losses of £2.3 million remain at the end of 2021 to relieve future profits.

### Cashflow

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Cash generated from operations was £5.5 million (2020: £5.2 million).

Investment in Sedex's platform stepped up considerably in 2021, as the program to completely rebuild the platform got fully underway. During 2021 there was investment of £5.1 million in Sedex's platform.

Cash and cash equivalents grew during the year by £0.3 million from £7.1 million to £7.4 million. Following the year end we agreed an overdraft of £1.5m. The overdraft incurs interest of 2.5% per annum over the Bank of England Base Rate.

In 2021, Sedex went through a tender process and changed independent auditors from Goodman Jones LLP to RSM UK Audit LLP.

## Sedex impact in numbers

### Sedex membership

**1,179**

Buyer and Buyer/  
supplier members

**65,337**

Supplier  
members

**66,516**

Total  
members

### Audits in 2021

**207,452**

Total number of audits on  
the Sedex platform

**98,361**

Total number of SMETA  
audit non-compliances  
closed in 2021

**27,741**

Total number of SMETA  
audits  
*from 1 Jan 2021 to 31 Dec 2021*

**3,333**

Total number of Virtual  
Assessments added  
*from 1 Jan 2021 to 31 Dec 2021*

### Member companies by country

Continent	Percentage of total members
Africa	4.35%
Asia	46.35%
Oceania	5.84%
Europe	29.34%
North America	9.42%
South America	4.70%

## Corporate social responsibility report

At Sedex, we are passionate about helping businesses become truly sustainable and ethical across their operations and supply chains. We believe that all people have the right to a safe workplace, where they are treated with respect and paid fair wages, free of harassment and discrimination. We strive to achieve these beliefs through inclusive behaviours that embody our values of being collaborative, responsible, transparent, quality driven and committed to service excellence.

### Our mission and purpose

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Our mission is to drive organisations globally to improve the lives of the people they impact.

Our purpose is to collaborate with organisations to provide the most trusted and efficient information, tools, and services to manage risk and drive responsible business in global supply chains.

### Supporting employees and mental health

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The ongoing effects of the COVID-19 pandemic has meant Sedex staff, across global offices, have continued to work remotely for a considerable proportion of the year. We recognise that whilst working remotely can bring many benefits, it can also bring challenges to employee mental health.

As ways of working evolve so should expectations of how we, as an employer, can support our staff. Sedex is committed to supporting the mental health of its employees by providing mental health tools and support through our external support partners. Sedex believes in fostering an open culture on mental health and in 2021 significantly increased its network of staff Mental Health First Aiders who work across global teams offering help and support by providing a confidential forum in which to discuss challenges and get support.

## Our people

Sedex is driven by its people, and we are fortunate to have an extremely committed, passionate and diverse team that enables us to deliver on our business goals. Whilst the last twelve months have meant the need to work from home has continued, the resolve and dedication of our team in facing this challenge has meant that despite being remote from each other, our people have pulled together, and the business has continued to thrive and grow.

2021 has seen a significant increase in the workforce with 54.96% growth across all teams and regions of the business, and our global reach expanding with the expansion to Chicago.

Our employee values help to define who we are as an organisation and are key to our long-term success. In 2021 we embarked on a project, in consultation with our workforce, to redefine those values and we will continue to embed them across the business in 2022.

## Staff breakdown

Population	Male (%)	Female (%)	Black Asian and Minority Ethnic (BAME) (%)	White (%)
Global Staff	50	50	41	59
Executive Team	45	55	11	89
Board of Directors	50	50	8	92

## Diversity and inclusion

In 2021, Sedex established a Diversity and Inclusion Committee to help establish a supportive and welcoming workplace environment, in which employees of all backgrounds and demographic characteristics can work together, ensuring we continually take proactive action to make Sedex a safe and inclusive place for all.

As a diverse company, people have different experiences at work, which are influenced by their gender, ethnicity, and country location. It is essential to support this diversity to enable staff to reach their full personal and professional potential.

Since its formation, the committee has completed specialist training held by The Centre for Inclusive Leadership, which covered the foundations of setting up a committee, coaching, and what inclusivity might mean for an organisation.

**Gender diversity of Sedex staff on 31 December 2021 (inc. contractors)**

Sedex Office	Total	Male	Female
UK	158	92	66
China	20	11	9
India	4	2	2
Chile	7	3	4
Australia	4	3	1
Japan	3	2	1
USA	7	4	3
<b>Total</b>	<b>203</b>	<b>117</b>	<b>86</b>

**Gender pay gap**

At Sedex we are committed to building an organisation where everyone can thrive and help to support the business deliver its strategic aims. Although we are not required under government legislation to report our gender pay gap, we believe in the overarching aims of the legislation and monitor our gap carefully.

In 2021 Sedex's global median gender pay gap was 22.81% in favour of men. Our gender pay gap data was collected on 31st December 2021.

At this time there were 152 people (excluding contractors for reporting purposes) within Sedex's global workforce: 76 women and 76 men.

During the year under review the technology team was staffed by a significant number of contractors, who would not appear in the data for gender pay gap reporting purposes. The gender split for those individuals was 84%/16% in favour of men.

Sedex recognises that its gender pay gap has increased over the last twelve months. Several factors have contributed to this at an organisation level including an increase in headcount in our technology team which has seen senior and specialist roles predominantly being filled by male candidates. Sedex will continue to work to understand and close its gender pay gap over time and encourage greater levels of female contribution in areas of the business where there is a larger gap.

## Risks and internal controls

### Our risk management approach

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Potential risks to the business are reviewed on a regular basis by the Board, the Audit and Risk Committee and the Executive Team, and continue to inform our business strategy. We recognise that to have an effective risk management framework, we need to continue developing an appropriate risk management culture, controls and supporting processes.

The Board operates in a financially prudent manner with a low to medium risk appetite. Risks are identified and reviewed on a regular basis and risk mitigation strategies are implemented. Separate serious incident management policies and frameworks are in place for IT or data breaches, and more generally for the business.

### Internal controls and risk management

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The Board has primary responsibility for the Group's overall approach to risk management and systems of internal control. The Board has delegated oversight of management of risk and internal control to the Audit and Risk Committee. During the year, and in line with its responsibilities in its terms of reference, the Audit and Risk Committee reviews the identification, evaluation and management of the risks facing the business and considers the effectiveness of associated controls and processes. The Audit and Risk Committee reports regularly to the Board. Appropriate measures are put in place to mitigate these risks.

## Principal risks and uncertainties as of 31 December 2021

The principal risks and uncertainties facing the business are detailed below. Risks are assessed on a residual basis according to our current view of their potential severity (being the combination of impact and likelihood) and taking into account the expected effectiveness of measures in place to mitigate the risks. The list below is not an exhaustive list of all risks the Group faces but is a list of only the principal risks and uncertainties.

Risk	Controls and mitigation
Loss of members	<ul style="list-style-type: none"> <li>• The business has a diverse global base</li> <li>• Products and services are regularly being improved to expand customer base and improve retention</li> <li>• Dedicated account managers to support strategic accounts</li> <li>• Regular customer engagement</li> <li>• Monitoring of competitors</li> </ul>
Inadequate funding	<ul style="list-style-type: none"> <li>• Regular forecasting of revenue, spend and cash flows</li> <li>• Purchase order and invoice approval processes</li> <li>• Regular monitoring of performance against budget</li> <li>• As of 31 December 2021, the Group had over £7 million of cash and cash equivalents</li> <li>• Since the year end the Group has put in place a £1.5 million overdraft facility</li> </ul>
Unable to retain and recruit staff	<ul style="list-style-type: none"> <li>• Competitive remuneration package offered</li> <li>• Regular communication with staff, individually and collectively, including town hall meetings and staff surveys</li> </ul>
IT resilience	<ul style="list-style-type: none"> <li>• Platforms and customer data are cloud based with backups</li> <li>• Updates to the platforms and tools rigorously tested before launch, with separate testing, development, and live environments</li> </ul>

Risk	Controls and mitigation
Cyber crime	<ul style="list-style-type: none"> <li>● Threats are continuously monitored by Sedex and third parties</li> <li>● Robust firewalls and security measures are in place and regularly reviewed</li> <li>● Online payments are processed through a secure third-party payment gateway</li> <li>● Internal IT security and GDPR training for all staff</li> </ul>
IT development does not deliver desired outcomes on time and on budget	<ul style="list-style-type: none"> <li>● Engagement with customers throughout development cycle</li> <li>● Agile development approach</li> <li>● Programme management system in place</li> <li>● Modular nature of programme</li> </ul>
Legislation hinders effective operation of business	<ul style="list-style-type: none"> <li>● Careful monitoring of new and forthcoming legislation</li> <li>● Sedex has in-house legal expertise</li> <li>● Legal support from leading law firm</li> </ul>
COVID-19 impact	<ul style="list-style-type: none"> <li>● Regular monitoring of the business' performance</li> <li>● Remote working enabled for all staff in accordance with requirements in each territory</li> <li>● Employee well-being monitored</li> </ul>
Geopolitical uncertainty	<ul style="list-style-type: none"> <li>● Continuously monitor situations and operational impacts for both Sedex and members</li> <li>● Regularly review where Sedex can better support members through our tools and services to support their ethical business operations</li> <li>● Regular communications with Sedex staff, members and stakeholders where appropriate.</li> </ul>



# Governance

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## Corporate governance

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At Sedex, our vision is to drive organisations globally to improve the lives of people they impact. Corporate governance is how Sedex is organised and controlled to help fulfil this vision.

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Sedex Information Exchange Limited (Sedex) is a membership association and is incorporated in the UK as a company limited by guarantee. As a membership association Sedex operates for the mutual benefit of all its members. Sedex is a private company and, although it is not strictly required to comply with the Corporate Governance Code, it draws on best practice principles of the Code to report to its members.

Sedex is headquartered in London, UK, with regional offices located in Gurugram, Santiago, Shanghai, and Sydney, and associate offices in Japan. Sedex expanded our operations to the US in September 2021, and is based in Chicago.

The Board of Directors is responsible for the governance of Sedex, sets the Company's vision and approves the Sedex strategic plan. The Board meets on a quarterly basis and is responsible for overseeing the management of the business. Standing agenda items for the Board meetings include: the Chief Executive report, financial reporting and variance to budget, delivery of its strategic plan and risk management measures, and updates on the development of tools and services for its members.

The Board holds the Executive Team to account for delivery of the business plan, and the Chief Executive provides a clear communication channel between the Board and the Executive team. The Board reports to Sedex's members at the Annual General Meeting (AGM) and events, such as Sedex Conferences and Community stakeholder forums.

The Board manages conflicts of interest by checking whether conflicts arise, at every Board and Committee meeting, and ensuring that any Director who is conflicted on any agenda item recuses themselves from influencing or making a decision on that item. Board minutes for every Board meeting are approved and filed on a regular basis.

As part of the five-year strategic plan adopted by the Board in 2019, Sedex embarked on a comprehensive governance review during the course of 2020. At the end of 2021, independent external advisers Saxton Bampfylde conducted a Board effectiveness survey with all directors and the results showed a marked improvement in governance standards and Board member engagement, when compared against similar survey results for 2019.

As part of the governance review undertaken in 2020, culminating in revised Articles of Association (with different composition of Board and Standing Committees) in December 2020, a number of longer serving Member Directors stepped down from the Board at the AGM in Spring 2021. The composition of the Board and Standing Committees therefore changed throughout 2021 and is reflected below.

In addition to the two Member Directors stepping down at the 2021 AGM, as part of the change in composition of the Board following the governance review (end 2020), one further Member Director stepped down upon ceasing to be employed by a member. As at end 2021 there were no vacancies on the Board.

## Board of Directors

1 January – 31 December 2021

- **Steven Esom**, Chair of the Board  
Chief Financial Officer (resigned 11 March 2022)
- **Aisha Aswani**, Member Director  
(resigned 10 May 2021)
- **Rose McGrath**, Member Director  
(resigned 10 May 2021)
- **Esther Tsang**, Member Director  
(joined 23 September 2021)
- **Samuel Cliff**, Member Director
- **Jeannie Arthur**, Independent  
Non-Executive Director
- **Simon McCalla**, Chief Executive Officer  
(resigned 28 June 2021)
- **Jon Hancock**, Chief Executive Officer  
(joined 10 January 2022)
- **Stephen Bolton**,  
Independent Non-Executive Director
- **Kamruzzaman Chowdhury**,  
Member Director  
(resigned 10 May 2021)
- **Susan Barton**,  
Independent Non-Executive Director
- **Kevin O'Neill**, Member Director  
(resigned 5 October 2021)
- **Tim Brooks**, Independent  
Non-Executive Director  
(joined 1 April 2021)
- **Katie Knaggs**, Member Director  
(joined 10 May 2021)
- **Eve Pienaar**, Senior Legal Counsel and  
Company Secretary, supports the Board and  
Standing Committees on all governance  
matters.
- **Mardee Job**, Member Director
- **Michelle French**, Member Director  
(joined 10 May 2021)
- **Richard Wright**,

## Board Committees

### The Board works closely with its Standing Committees:

- **Nomination Committee** - oversees appointments to the Board
- **Audit & Risk Committee** - oversees risk, the independent audit process, the appointment of the auditors and the integrity of the financial accounts, and ensures sound risk mitigation strategies are in place
- **Remuneration Committee** - approves material remuneration decisions, such as Executive bonus packages.

These are the Standing Committees of the Board, and they meet regularly, as the business requires (and not less than quarterly in the case of the Audit & Risk Committee). These Standing Committees report to the Board regularly as a standing item on the Board agenda.

### Composition of Standing Committees in 2021

#### Nomination Committee

- **Stephen Bolton**, Non-Executive Director - Chair (from May 2021 onwards)
- **Aisha Aswani**, Member Director - Chair (stepped down May 2021)
- **Jeannie Arthur**, Non-Executive Director (joined May 2021)
- **Kamruzzaman Chowdhury**, Member Director (stepped down May 2021)
- **Katie Knaggs**, Member Director (joined September 2021)
- **Kevin O'Neill**, Member Director (stepped down September 2021)
- **Mardee Job**, Member Director (stepped down May 2021)
- **Rose McGrath**, Member Director (stepped down May 2021)
- **Samuel Cliff**, Member Director
- **Steven Esom**, Non-Executive Director (joined May 2021)

### Audit & Risk Committee

- **Susan Barton**,  
Non-Executive Director – Chair
- **Michelle French**, Member Director  
(joined September 2021)
- **Samuel Cliff**, Member Director
- **Stephen Bolton**, Non-Executive Director
- **Tim Brooks**, Non-Executive Director  
(joined September 2021)

### Remuneration Committee

- **Steven Esom**,  
Non-Executive Director – Chair
- **Aisha Aswani**, Member Director  
(stepped down May 2021)
- **Katie Knaggs**, Member Director  
(joined September 2021)
- **Kevin O'Neill**, Member Director  
(stepped down May 2021)
- **Mardee Job**, Member Director
- **Samuel Cliff**, Member Director  
(stepped down May 2021)
- **Susan Barton**, Non-Executive Director  
(joined May 2021)
- **Tim Brooks**, Non-Executive Director  
(joined September 2021)

## Board members

### Steven Esom, Chair of the Board

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Steven is an experienced board member of consumer-facing businesses and chairs a number of boards. His current directorships include Cranswick Plc, The Rank Group, Advantage Travel Partnership, British Retail Consortium and GB Boxing, responsible for developing the potential Olympic medal boxers.

His retail career has included Executive Director at Marks & Spencer, responsible for food. Prior to that, he was Managing Director of Waitrose from 2003, rapidly expanding the business with two major acquisitions and leading the successful repositioning of Waitrose as a leading national fresh food retailer, after initially joining the John Lewis Partnership as Waitrose's Director of Buying in 1995. Before joining the Partnership, Steven spent most of his career at Sainsbury's in commercial roles.

- Board meetings attended: 7/7
- Remuneration Committee meetings attended: 3/3
- Audit and Risk Committee meetings attended: 4/4
- Nomination Committee meetings attended: 7/7

### Aisha Aswani, Member Director

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Aisha departed the Sedex Board in May 2021 at the end of her term.

- Board meetings attended: 2/2
- Nomination Committee meetings attended: 2/2
- Remuneration Committee meetings attended: 1/1

### Esther Tsang, Member Director

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Esther Tsang has over 15 years of experience working in global supply chains and has delivered various sustainability and ethical trade programs in multiple industries.

She works as the Responsible Procurement Manager (APAC) at a global cosmetics group Natura & Co to ensure ethical conditions and sustainability in the operations and supply chains within their company brands Avon, Aesop, Natura & The Body Shop.

Previously, she worked in a US furniture retailer La-Z-Boy, setup their supplier ethical trade program and conducted audits across Asia & Europe focusing on improving labour standards and health and safety in workplaces.

She also worked with McDonald's in roles in social accountability, and managing the supplier ethical program in Asia, Pacific, Middle East, and Africa region.

- Board meetings attended: 2/2
-

**Jeannie Arthur, Independent Non-Executive Director**

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Jeannie joined the Board in November 2020 and brings 20 years' experience creating and growing technology and data driven businesses. With an engineering and management consulting background, she is passionate about using technology and data to solve big problems.

Alongside her role at Sedex, Jeannie is the CEO of a high-growth software company, holds a non-executive role at a global insurance scale-up company, and is trustee of Youth Business International, a global charity that supports young people from disadvantaged backgrounds to become entrepreneurs.

- Board meetings attended: 7/7
- Nomination Committee meetings attended: 7/8

**Jon Hancock, Chief Executive Officer**

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Jon joined Sedex in January 2022 to lead Sedex. As a technology sector professional with over 10 years' experience in executive leadership, he brings extensive experience in driving high-performing growth strategies for international organisations. He is passionate about the power of technology to improve people's lives, and the potential of Sedex's ambitious plans to support this vision.

Jon's career spans retail banking, consulting and IT-related professional services. Previous roles include Corporate Vice-President at HCL Technologies and Chief Operating Officer at Axon Group.

**Kamruzzaman Chowdhury, Member Director**

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Kamruzzaman departed the Sedex Board in May 2021 at the end of his term.

- Board meetings attended: 2/2
- Nomination Committee meetings attended: 2/2

**Katie Knaggs, Member Director**

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Katie is a sustainability and ethical trade professional with over 20 years' experience working in the food and agricultural sector. She is based in Australia and works as the Group Ethical Sourcing Manager for Costa Pty Ltd. In her role, she has developed and implemented the company strategy on ethical sourcing.

Katie's passion for responsible sourcing and social sustainability evolved through developing ethical sourcing standards for UK fresh produce farms in 2002, she then found an outlet to go beyond compliance in her previous role as Head of Sustainability at International Procurement Limited (IPL). In her role, she developed and implemented projects focussing on living wage for workers, livelihoods for smallholders, women's empowerment, and modern slavery mitigation.

- Board meetings attended: 5/5
- Nomination Committee meetings attended: 1/2
- Remuneration Committee meetings attended: 1/1

### Kevin O'Neill, Member Director

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Kevin departed the Sedex Board in 2021 at the end of his term.

- Board meetings attended: 5/5
- Nomination Committee meetings attended: 5/5

### Mardee Job, Member Director

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Mardee works in the horticulture industry of Australia. She is a key technical staff member at Fresh Produce Group (FPG). She coordinates the ethical certification for FPG's sub-businesses and suppliers (national and international). In addition, trained in HACCP and Lead Food Safety Auditing, Mardee is involved in food safety and quality for the business.

Mardee graduated from the University of Sydney with a Bachelor of Environmental Systems majoring in Agricultural Systems (Honours, First Class), and has completed the Accelerated Leadership Performance Program with the Australian School of Applied Management.

- Board meetings attended: 6/7
- Remuneration Committee meetings attended: 1/1

### Michelle French, Member Director

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Michelle French is Director of Global Sustainability Programs at Archer Daniels Midland Company (ADM) focusing on sustainable supply chain initiatives, including implementation of the company's human rights policy and sustainable agriculture programs. Michelle engages with stakeholders in the supply chain, growers, customers, and other stakeholders such as NGOs and investors to communicate the company's sustainability strategy.

Prior to this role, she spent 10 years in environmental compliance. Michelle has a B.Sc. in Natural Resources and Environmental Science from the University of Illinois Urbana-Champaign and currently serves as Treasurer of the Board of Directors for Field to Market.

- Board meetings attended: 4/5
- Audit & Risk Committee meetings attended: 0/1

### Richard Wright, Chief Financial Officer

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Richard departed Sedex in March 2022.

- Board meetings attended: 7/7
- Audit and Risk Committee meetings attended: 4/4
- Remuneration Committee meetings attended: 3/3

### Rose McGrath, Member Director

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Rose departed the Sedex Board in May 2021 at the end of her term.

- Board meetings attended: 2/2

### Samuel Cliff, Member Director

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Samuel heads the Worldwide Fruit ethical trading programme, working across 32 countries worldwide. Samuel champions improving labour standards in factories and farms across the Worldwide Fruit supply chain for the production and packing of apples, avocados, pears, soft-fruit, and stone-fruit.

An active member of several ethical trade working groups, Samuel is a keen advocate of collaboration to drive continuous improvement across global supply chains. In previous roles, Samuel has worked on financial systems and mobile apps - in particular, focussing on system/app design and user experience. He is proud to actively support the Sedex 2025 strategy as a Board member and Sedex customer.

- Board meetings attended: 6/7
- Nomination Committee meetings attended: 7/7
- Audit & Risk Committee meetings attended: 4/4

### Simon McCalla, Chief Executive Officer

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Simon departed Sedex in June 2021.

- Board meetings attended: 2/3
- Audit & Risk Committee meetings attended: 1/1
- Nomination Committee meetings attended: 2/2
- Remuneration Committee meetings attended: 1/1

### Stephen Bolton, Independent Non-Executive Director

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Stephen has been a fellow of the Chartered Institute of Management Accountants since 1992 and is an experienced finance director.

He has nearly 40 years of experience of operational and strategic finance, investor relations, M&A, audit risk and compliance, coupled with a strong understanding of international markets and supply chains, gained whilst working for Unilever plc and Diageo. He has an Honorary Doctor of Business from Solent University and is Vice Chairman of the Board of Governors at the university.

- Board meetings attended: 7/7
- Audit & Risk Committee meetings attended: 4/4

### Susan Barton, Independent Non-Executive Director

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Susan joined the Sedex Board in June 2020 and brings over 20 years of experience in strategy development, operational performance and business transformation built within the postal and professional services industries. She has held leadership positions with the UK Post Office, PA Consulting and Accenture, and is a member of the Chartered Institute of Management Accountants.

Susan is an accredited mediator and sits on the Board and Audit & Risk Committee of Jersey Post alongside her role at Sedex.

- Board meetings attended: 7/7
- Audit & Risk Committee meetings attended: 4/4

### Tim Brooks, Independent Non-Executive Director

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Tim Brooks is chair of Public Digital, a global digital transformation consultancy, and of RCNi, the commercial arm of the Royal College of Nursing. He also chairs the Advisory Council of the British Library.

Four decades' work in the media industry have seen Tim chair or manage businesses in China, India, the USA, and Australia, as well as the UK, and lead famous brands such as The Guardian and The BMJ. In his spare time he is a Samaritans' listening volunteer.

- Board meetings attended: 5/5
- Audit & Risk Committee meetings attended: 1/1
- Remuneration Committee meetings attended: 1/1

## Company information and professional advisors

### Company information

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- Sedex Information Exchange Limited.  
Company number: 05015443

### Sedex global head office

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- 5 Old Bailey  
London  
EC4M 7BA

### Global HR lawyers

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- Lewis Silkin  
5 Chancery Lane  
London  
EC4A 1BL

### Professional advisers/UK and USA legal

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- Womble Bond Dickinson  
4 More London Riverside,  
London SE1 2AU
- Womble Bond Dickinson  
One West Fourth Street  
Winston-Salem, NC 27101,  
USA

### Intellectual Property agents

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- IP Lane  
The Forum  
33 Gutter Ln  
London EC2V 8AS

### Independent auditors

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- RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB



# Financial statements

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# Sedex Information Exchange Limited

## Directors' report

**For the year ended 31 December 2021**

The directors present their annual report and financial statements for the year ended 31 December 2021.

### Principal activities

The principal activity of the group continues to be that of the provision of a business information exchange platform accessed via the internet. The platform's purpose is to enable members to share information on ethical trading practices across supply chains.

Sedex Information Exchange Limited is a membership organisation limited by guarantee.

### Directors

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

- J Arthur
- A Aswani (resigned 10 May 2021)
- S Barton
- S Bolton
- T Brooks (appointed 1 April 2021)
- K Chowdhury (resigned 10 May 2021)
- S Cliff
- S Esom
- J Hancock (appointed 10 January 2022)

- M Job
- S J McCalla (resigned 28 June 2021)
- R McGrath (resigned 10 May 2021)
- K O'Neill (resigned 5 October 2021)
- E Tsang (appointed 23 September 2021)
- R Wright (resigned 11 March 2022)

### Results and dividends

The results for the year are set out on page 41.

### Research and development

The business continues to invest in R&D for its IT platform, with continued focus on constantly improving the access and functionality available to members.

### Auditor

RSM UK Audit LLP were appointed as auditor of the Company and in accordance with Section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the Annual General Meeting.

## Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Statement of disclosure to auditor

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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 auditor of the company 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 company is aware of that information.

On behalf of the board



**Jon Hancock**  
Director  
16 May 2022

# Independent auditor's report to the members of Sedex Information Exchange Limited

## Opinion

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We have audited the financial statements of Sedex Information Exchange Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 December 2021 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, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's profit 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

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We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) 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

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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 and parent company's ability to continue as a going concern for a period of at least 12 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

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The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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In light of the knowledge and understanding of the group and the parent company and its 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 where 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

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As explained more fully in the directors' responsibilities statement set out on page 35, 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 or the 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 the parent company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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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.

## The extent to which the audit was considered capable of detecting irregularities, including fraud.

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Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection (GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations, reviewed legal expenditure for evidence of claims and obtained reports monitoring the company's compliance.

The group audit engagement team identified the risk of management override of controls and revenue recognition (cut-off) as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. In respect of revenue recognition (cut-off), audit procedures performed included but were not limited to reviewing sales invoices either side of the year end and deferred revenue at the year end.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard Heap** (Senior Statutory Auditor)  
for and on behalf of  
RSM UK Audit LLP, Statutory Auditor

Chartered Accountants:  
25 Farringdon Street, London, EC4A 4AB

## Sedex Information Exchange Limited Group profit and loss account

For the year ended 31 December 2021

		2021	2020
	Notes	£'000	£'000
<b>Turnover</b>	3	20,257	16,574
Cost of sales		(2,713)	(1,686)
<b>Gross profit</b>		17,544	14,888
Administrative expenses		(15,319)	(11,851)
<b>Operating profit</b>	5	2,225	3,037
Interest receivable and similar income	9	13	13
Interest payable and similar expense	10	(2)	-
<b>Profit before taxation</b>		2,236	3,050
Tax on profit	11	304	(183)
<b>Profit for the financial year</b>		<b>2,540</b>	<b>2,867</b>

Profit/(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.

# Sedex Information Exchange Limited

## Group statement of comprehensive income

For the year ended 31 December 2021

	2021	2020
	£'000	£'000
<b>Profit/(loss) for the year</b>	2,540	2,867
<b>Other comprehensive income</b>		
Currency translation differences	(4)	22
<b>Total comprehensive income for the year</b>	<u>2,536</u>	<u>2,889</u>

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

# Sedex Information Exchange Limited

## Group balance sheet

As at 31 December 2021

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	12		6,280		3,121
Tangible assets	13		428		540
			<u>6,708</u>		<u>3,661</u>
<b>Current assets</b>					
Debtors	17	3,950		3,135	
Cash at bank and in hand		<u>7,420</u>		<u>7,072</u>	
		11,370		10,207	
<b>Creditors: amounts falling due within one year</b>	18	<u>(13,193)</u>		<u>(11,654)</u>	
<b>Net current liabilities</b>			<u>(1,823)</u>		<u>(1,447)</u>
<b>Total assets less current liabilities</b>			4,885		2,214
<b>Creditors: amounts falling due after more than one year</b>	19		(721)		(721)
<b>Provision for liabilities</b>	20		<u>(136)</u>		-
<b>Net assets</b>			<u><u>4,028</u></u>		<u><u>1,493</u></u>
<b>Capital and reserves</b>					
Profit and loss reserves			<u><u>4,028</u></u>		<u><u>1,493</u></u>

The financial statements were approved by the board of directors and authorised for issue on 16 May 2022 and are signed on its behalf by:



J Hancock - Director

# Sedex Information Exchange Limited

## Company balance sheet

As at 31 December 2021

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	12		351		12
Tangible assets	13		420		527
Investments	14		104		104
			<u>875</u>		<u>643</u>
<b>Current assets</b>					
Debtors	17	7,647		4,794	
Cash at bank and in hand		<u>6,031</u>		<u>5,566</u>	
		13,678		10,360	
<b>Creditors: amounts falling due within one year</b>					
	18	<u>(11,052)</u>		<u>(9,996)</u>	
<b>Net current liabilities</b>					
			<u>2,626</u>		<u>364</u>
<b>Total assets less current liabilities</b>					
			3,501		1,007
<b>Creditors: amounts falling due after more than one year</b>					
	19		<u>(639)</u>		<u>(630)</u>
<b>Provision for liabilities</b>					
	20		<u>-</u>		<u>-</u>
<b>Net assets</b>					
			<u>2,862</u>		<u>377</u>
<b>Capital and reserves</b>					
Profit and loss reserves			<u>2,862</u>		<u>377</u>

As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,485,000 (2020 - £2,334,000).

The financial statements were approved by the board of directors and authorised for issue on 16 May 2022 and are signed on its behalf by:



J Hancock - Director  
Company Registration No. 05015443

# Sedex Information Exchange Limited Group statement of changes in equity

For the year ended 31 December 2021

	Profit and loss reserves
	£'000
<b>Balance at 1 January 2020</b>	(1,396)
<b>Year ended 31 December 2020:</b>	
Profit for the year	2,867
Other comprehensive income:	
Currency translation differences	22
Total comprehensive income for the year	<u>2,889</u>
<b>Balance at 31 December 2020</b>	<u>1,493</u>
<b>Year ended 31 December 2021:</b>	
Profit for the year	2,540
Other comprehensive income:	
Currency translation differences	(4)
Total comprehensive income for the year	<u>2,536</u>
<b>Balance at 31 December 2021</b>	<u>4,029</u>

# Sedex Information Exchange Limited

## Company statement of changes in equity

For the year ended 31 December 2021

	Profit and loss reserves
	£'000
<b>Balance at 1 January 2020</b>	(1,957)
<b>Year ended 31 December 2020:</b>	
Loss and total comprehensive income for the year	2,334
<b>Balance at 31 December 2020</b>	<u>377</u>
<b>Year ended 31 December 2021:</b>	
Profit and total comprehensive income for the year	2,485
<b>Balance at 31 December 2021</b>	<u><u>2,862</u></u>

# Sedex Information Exchange Limited

## Group statement of cash flows

For the year ended 31 December 2021

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash generated from operations	27		5,493		5,181
Interest paid			(2)		-
Income taxes paid			(17)		(174)
<b>Net cash inflow from operating activities</b>			<u>5,474</u>		<u>5,007</u>
<b>Investing activities</b>					
Purchase of intangible assets		(5,065)		(2,217)	
Purchase of tangible fixed assets		(74)		(540)	
Interest received		13		13	
<b>Net cash used in investing activities</b>			<u>(5,126)</u>		<u>(2,744)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			348		2,263
Cash and cash equivalents at beginning of year			<u>7,072</u>		<u>4,809</u>
<b>Cash and cash equivalents at end of year</b>			<u><u>7,420</u></u>		<u><u>7,072</u></u>

# Sedex Information Exchange Limited

## Company statement of cash flows

For the year ended 31 December 2021

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	27		15		2,186
Income taxes refunded/(paid)			13		-
<b>Net cash inflow/(outflow) from operating activities</b>			<u>28</u>		<u>2,186</u>
<b>Investing activities</b>					
Development costs		(360)			
Purchase of tangible fixed assets		(80)		(535)	
Interest received		1		-	
Dividends received		<u>875</u>		<u>217</u>	
<b>Net cash generated from/(used in) investing activities</b>			<u>436</u>		<u>(318)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			464		1,868
Cash and cash equivalents at beginning of year			<u>5,566</u>		<u>3,698</u>
<b>Cash and cash equivalents at end of year</b>			<u><u>6,030</u></u>		<u><u>5,566</u></u>

# Sedex Information Exchange Limited

## Notes to the financial statements

For the year ended 31 December 2021

### 1. Accounting policies

#### Company information

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Sedex Information Exchange Limited ("the company") is a private company limited by guarantee and domiciled and incorporated in England and Wales. The registered office is 5 Old Bailey, London, EC4M 7BA.

The group consists of Sedex Information Exchange 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 pounds sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Sedex Information Exchange Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2021, except those of Sedex India Private Limited, for which adjustments are made to recognise the results for the year ended 31 December 2021. 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.

Foreign subsidiaries are converted from their own currency to pounds sterling using the year end conversion rate for the balance sheet and using the average yearly exchange rate for profit and loss items. Any differences are treated as exchange rate differences.

### 1.3 Going concern

The group has continued to trade profitably during the global pandemic caused by the spread of COVID-19, which significantly affected the world's economy, and at 31 December 2021 the group had cash and cash equivalent balances of £7.4m.

The directors have reviewed forecasts for the group's profitability and cash flows for the next two years, and considered scenarios that could adversely affect performance. In all the scenarios considered, the group continues to have a positive cash balance throughout the period.

The directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future for a period of at least 12 months following the signing of the financial statements. 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The main source of turnover is from membership income. The membership income is recognised over the period of the membership term.

### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

### 1.6 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 on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Intangible assets internally generated are recognised at the cost of employment in regard to the development less accumulated amortisation and accumulated impairment losses. The identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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

- Software: over five years on straight line basis
- Development costs: over five years on straight line basis.

### 1.7 Tangible fixed assets

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

- Fixtures, fittings and equipment between three and five years straight line basis.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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.

### 1.9 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

### 1.11 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

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Basic financial assets, which include 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

### Impairment of financial assets

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Financial assets, other than those held at fair value through profit and loss, 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 profit or loss.

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 profit or loss.

### Classification of financial liabilities

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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

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Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. 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.

### 1.12 Equity instruments

Equity instruments issued by the group 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 group.

### 1.13 Taxation

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

#### Current tax

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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.

#### Deferred tax

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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.

### 1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.15 Retirement benefits

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

### 1.16 Leases

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.

### 1.17 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 profit or loss.

## 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 judgements

The company review all costs relating to new developmental software on a case by case basis and only capitalise the costs when there is likely economic benefit generating from that work. This is reviewed regularly and capitalised software no longer deemed to be generating economic benefit is subsequently written off. The future economic benefit is calculated looking at forecasted revenues and financial models to estimated a net realisable value to ensure this is higher than cost.

As at 31 December 2021 the company had accumulated tax losses of £2.3 million. Although the company is profitable, it is claiming significant amounts of R&D tax credits each year. The directors judge that it is not probable the deferred tax asset relating to the losses will be recovered against future taxable profits and so no deferred tax asset has been recognised.

### 3. Turnover and other revenue

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

	2021	2020
	£'000	£'000
<b>Turnover analysed by class of business</b>		
Membership	15,778	13,216
Services	4,257	3,157
Other income	222	201
	<u>20,257</u>	<u>16,574</u>

	2021	2020
	£'000	£'000
<b>Other significant revenue</b>		
Interest income	<u>13</u>	<u>13</u>

	2021	2020
	£'000	£'000
<b>Turnover analysed by geographical market</b>		
United Kingdom	6,395	4,836
Rest of Europe	4,329	3,230
USA/Canada	2,333	1,248
Rest of World	7,200	7,260
	<u>20,257</u>	<u>16,574</u>

## 4. Underlying EBITDA

	2021	2020
	£'000	£'000
Underlying EBITDA	4,317	4,641
Depreciation and Amortisation	(2,092)	(1,604)
Operating profit	<u>2,225</u>	<u>3,037</u>

Management views the business' underlying operating earnings before interest, tax, depreciation, and amortisation ("Underlying EBITDA") as a key performance indicator because it reflects the group's most current and sustainable profitability.

## 5. Operating profit

	2021	2020
	£'000	£'000
<b>Operating profit/(loss) for the year is stated after charging:</b>		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	4	60
Depreciation of owned tangible fixed assets	186	71
Amortisation of intangible assets	1,906	1,533
Operating lease charges	<u>705</u>	<u>526</u>

## 6. Auditor's remuneration

	2021	2020
	£'000	£'000
<b>Fees payable to the company's auditor and associates:</b>		
<b>For audit services</b>		
Audit of the financial statements of the group and company	50	36
Audit of the financial statements of the company's subsidiaries	12	-
	<u>62</u>	<u>36</u>

## 7. Employees

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

	Group		Company	
	2021	2020	2021	2020
	Number	Number	Number	Number
	166	120	124	86

Their aggregate remuneration comprised:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Wages and salaries	7,040	5,309	5,024	2,874
Social security costs	874	687	520	388
Pension costs	272	250	202	169
	<u>8,186</u>	<u>6,246</u>	<u>5,746</u>	<u>3,431</u>

## 8. Directors' remuneration

	2021	2020
	£'000	£'000
Remuneration for qualifying services	<u>551</u>	<u>580</u>

Two directors (2020: two) were members of a defined contribution pension scheme.

Remuneration for the highest paid director were as follows:

	2021	2020
	£'000	£'000
Remuneration for qualifying services	<u>257</u>	<u>365</u>

## 9. Interest receivable and similar income

	2021	2020
	£'000	£'000
<b>Interest income</b>		
Interest on bank deposits	<u>13</u>	<u>13</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>13</u>	<u>13</u>

## 10. Interest payable and similar expenses

	2021	2020
	£'000	£'000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	<u>2</u>	<u>-</u>

## 11. Taxation

	2021	2020
	£'000	£'000
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	-
Adjustments in respect of prior periods	-	-
Total UK current tax	-	-
Foreign current tax on profits for the current period	153	183
Current tax	153	183
Deferred tax	(457)	-
Total current tax	<u>(304)</u>	<u>183</u>

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

	2021	2020
	£'000	£'000
<b>Profit before taxation</b>	<u>2,236</u>	<u>3,050</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	425	579
Utilisation of brought forward losses not previously recognised as a deferred tax asset	(692)	(494)
Tax effect of expenses that are not deductible in determining taxable profit	30	61
Accelerated capital allowances	11	(62)
Other timing differences		63
Change in unrecognised deferred tax assets	(109)	-
Effect of overseas tax rates and losses	31	61
Change in accounting policy		-
Adjustment to prior years due to R&D tax credits		(25)
Deferred tax asset not recognised on unutilised tax losses carried forward		-
Taxation charge	<u>(304)</u>	<u>183</u>

## 12. Intangible fixed assets

Group	Software £'000	Development costs £'000	Total £'000
<b>Cost</b>			
At 1 January 2021	438	8,263	8,701
Additions - internally developed	-	5,065	5,065
Disposals	(388)	(604)	(992)
At 31 December 2021	50	12,724	12,774
<b>Amortisation and impairment</b>			
At 1 January 2021	427	5,153	5,580
Amortisation charged for the year	9	1,897	1,906
Disposals	(388)	(604)	(992)
At 31 December 2021	48	6,446	6,494
<b>Carrying amount</b>			
At 31 December 2021	2	6,278	6,280
At 31 December 2020	11	3,110	3,121

Company	Software £'000	Development costs £'000	Total £'000
<b>Cost</b>			
At 1 January 2021	435	-	435
Additions	-	360	360
Disposals	(384)	-	(384)
At 31 December 2021	51	360	411
<b>Amortisation and impairment</b>			
At 1 January 2021	423	-	423
Amortisation charged for the year	9	12	21
Disposals	(384)	-	(384)
At 31 December 2021	48	12	60
<b>Carrying amount</b>			
At 31 December 2021	3	348	351
At 31 December 2020	12	-	12

## 13. Tangible fixed assets

Group	Fixtures, fittings and equipment	£'000
<b>Cost</b>		
At 1 January 2021		1,034
Additions		74
Disposals		(458)
At 31 December 2021		650
<b>Depreciation and impairment</b>		
At 1 January 2021		494
Depreciation charged in the year		186
Disposals		(458)
At 31 December 2021		222
<b>Carrying amount</b>		
At 31 December 2021		428
At 31 December 2020		540

Company	Fixtures, fittings and equipment £'000
<b>Cost</b>	
At 1 January 2021	1,007
Additions	80
Disposals	(458)
At 31 December 2021	629
<b>Depreciation and impairment</b>	
At 1 January 2021	480
Depreciation charged in the year	185
Disposals	(458)
At 31 December 2021	209
<b>Carrying amount</b>	
At 31 December 2021	420
At 31 December 2020	527

## 14. Fixed asset investments

	Notes	Group		Company	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Investments in subsidiaries	<b>15</b>	-	-	104	104

Company	Shares in group undertakings £'000
<b>Movements in fixed asset investments</b>	
<b>Cost or valuation</b>	
At 1 January 2021 and 31 December 2021	104
<b>Carrying amount</b>	
At 31 December 2021	104
At 31 December 2020	104

## 15. Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Country	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Sedex Australia PTY Limited	Australia	See below	Ordinary	100.00	-
Sedex Information Exchange (Shanghai) Limited	China	See below	Ordinary	100.00	-
Sedex Chile SPA	Chile	See below	Ordinary	100.00	-
Sedex Solutions Limited	UK	See below	Ordinary	100.00	-
Sedex India Private Limited	India	See below	Ordinary	100.00	-
Sedex USA, LLC	USA	See below	Ordinary	100.00	-

### Registered office addresses

- 1 161 Castlereagh St, Sydney, New South Wales 2000, Australia
- 2 Room 701-703, Office Block of Shanghai International Equatorial Hotel, 65 West Yan An Road, Shanghai 200040, China
- 3 Santiago, SR(A)(ES), Providencia, Avenida Providencia 1650 1303, Chile
- 4 5 Old Bailey, London, EC4M 7BA, United Kingdom
- 5 14th Floor, Tower 5B, DLF Epitome, DLF Cyber City Phase – III, Gurugram, Haryana 122002, India
- 6 920 North King Street, 2nd Floor, Wilmington, New Castle County, Delaware 19801

Name of undertaking	Capital and reserves	Profit/(loss)
	£'000	£'000

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Sedex Australia PTY Limited	145	35
Sedex Information Exchange (Shanghai) Limited	989	777
Sedex Chile SPA	92	11
Sedex Solutions Limited	1,618	576
Sedex India Private Limited	109	108
Sedex USA, LLC	1	146

The principal activity of Sedex Solutions Limited is the provision of professional consultancy services to the membership organisations of Sedex Information Exchange Limited.

The main business scope of Sedex Information Exchange (Shanghai) Limited includes business information consulting and business administration consulting in Southeast Asia.

The main business scope of Sedex Chile SPA includes business information consulting and business administration consulting in South America.

The main business scope of Sedex Australia PTY Limited includes business information consulting and business administration consulting in Oceania.

The main business scope of Sedex India Private Limited includes business information consulting and business administration consulting in Central Asia.

The main business scope of Sedex USA, LLC is the provision of sales and marketing support for Sedex Information Exchange Limited in North America.

For the financial period ended 31 December 2021, the following subsidiary companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

Sedex Solutions Limited, company registration no. 08183688

## 16. Financial instruments

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	<u>2,602</u>	<u>2,536</u>	<u>6,613</u>	<u>4,521</u>
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	<u>3,139</u>	<u>3,113</u>	<u>2,126</u>	<u>2,482</u>

## 17. Debtors

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	2,362	2,185	2,336	2,182
Corporation tax recoverable	140	274	-	32
Amounts owed by group undertakings	-	-	4,208	2,244
Other debtors	240	351	69	95
Prepayments and accrued income	614	325	440	241
Deferred tax asset	594	-	594	-
	<u>3,950</u>	<u>3,135</u>	<u>7,647</u>	<u>4,794</u>

## 18. Creditors: amounts falling due within one year

	Notes	Group		Company	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Trade creditors		367	105	296	103
Amounts owed to group undertakings		-	-	148	58
Corporation tax payable		52	50	-	-
Other taxation and social security		46	192	32	183
Deferred income	<b>21</b>	9,956	8,298	8,895	7,331
Other creditors		-	1,476	-	1,476
Accruals and deferred income		2,773	1,533	1,682	846
		<u>13,194</u>	<u>11,654</u>	<u>11,053</u>	<u>9,996</u>

## 19. Creditors: amounts falling due after more than one year

	Notes	Group		Company	
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Deferred income	21	721	721	639	630
		<u>721</u>	<u>721</u>	<u>639</u>	<u>630</u>

## 20. Provision for liabilities

Notes	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
At January 2021	-	-	-	-
Charged to P&L	136			
Utilised in year	-	-	-	-
At December 2021	<u>136</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 21. Deferred income

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Deferred income	<u>10,676</u>	<u>9,020</u>	<u>9,533</u>	<u>7,961</u>

Deferred income is included in the financial statements as follows:

Current liabilities	9,956	8,298	8,895	7,331
Non-current liabilities	<u>721</u>	<u>721</u>	<u>639</u>	<u>630</u>
	<u>10,676</u>	<u>9,020</u>	<u>9,533</u>	<u>7,961</u>

## 22. Retirement benefit schemes

	2021 £'000	2020 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>272</u>	<u>250</u>

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. The total amount outstanding at the year end was £34,179 (2020 - £34,272).

## 23. Share capital

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

## 24. Operating lease commitments

### Lessee

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

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Within one year	829	498	633	343
Between two and five years	494	1,211	475	1,109
	<u>1,323</u>	<u>1,709</u>	<u>1,108</u>	<u>1,452</u>

All of the above amounts relate to rental leases.

## 25. Related party transactions

### Company

The company has taken advantage of FRS 102.33.1A "Related Party Disclosures" not to disclose intercompany transactions.

The company has provided guarantees in respect of the debts of its subsidiary, Sedex Solutions Limited, in accordance with Section 479C of the Companies Act 2006, thus enabling them to claim exemption from audit under Section 479C of the Companies Act 2006.

## 26. Controlling party

The company is controlled by its members.

## 27. Cash generated from group operations

	2021	2020
	£'000	£'000
Profit/(loss) for the year after tax	2,540	2,867
<b>Adjustments for:</b>		
Taxation charged	(304)	183
Investment income	(13)	(13)
Finance costs	2	-
Amortisation and impairment of intangible assets	1,906	1,533
Depreciation and impairment of tangible fixed assets	186	71
Foreign exchange (losses)/gains on cash equivalents	(5)	22
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	(356)	500
(Decrease)/increase in creditors	(120)	(1,045)
Increase in deferred income	1,657	1,063
<b>Cash generated from operations</b>	<b>5,493</b>	<b>5,181</b>

## 28. Cash generated from operations - company

	2021	2020
	£'000	£'000
Profit for the year after tax	2,485	2,334
<b>Adjustments for:</b>		
Taxation charged	(575)	-
Investment income	(876)	(217)
Amortisation and impairment of intangible assets	21	47
Depreciation and impairment of tangible fixed assets	186	65
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(2,299)	496
(Decrease) in creditors	(500)	(1,358)
Increase in deferred income	1,573	819
<b>Cash generated from/(absorbed by) operations</b>	<u>15</u>	<u>2,186</u>

## 29. Analysis of changes in net funds - group

	1 January 2021	Cash flows	31 December 2021
	£'000	£'000	£'000
Cash at bank and in hand	<u>7,072</u>	<u>348</u>	<u>7,420</u>

## 30. Analysis of changes in net funds - company

	1 January 2021	Cash flows	31 December 2021
	£'000	£'000	£'000
Cash at bank and in hand	<u>5,566</u>	<u>465</u>	<u>6,031</u>



Head Office: 5 Old Bailey, London, EC4M 7BA

+44 (0)20 7902 2320 | [communications@sedex.com](mailto:communications@sedex.com) | [www.sedex.com](http://www.sedex.com)

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