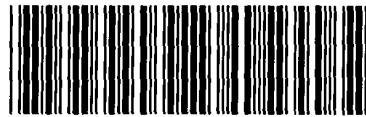


**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 August 2021
for
MINESOFT LIMITED**

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MINESOFT LIMITED

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MINESOFT LIMITED

**Company Information
for the year ended 31 August 2021**

Directors: A F Chapman-Daniel
O Daniel
R A Hyatt

Secretary: O Daniel

Registered office: Shearwater House
The Green
Richmond
Surrey
TW9 1PX

Registered number: 03237682 (England and Wales)

Auditors: Haines Watts
Chartered Accountants
Statutory Auditor
Aissela
46 High Street
Esher
Surrey
KT10 9QY

MINESOFT LIMITED

Group Strategic Report for the year ended 31 August 2021

The directors present their strategic report of the company and the group for the year ended 31 August 2021.

Review of business

The group continued to be under the control and management of Mr Daniel and Mrs Chapman-Daniel in this financial year. Managing the company with shareholder and business development Director Mr Hyatt and other senior staff, Minesoft Ltd finished the year with an increased turnover overall. Increased business was won outside and within the UK during this extended Covid-19 period. Price increases were held at minimal level which helped secure the business in a year where it was not possible to visit clients on site and all business had to be conducted worldwide in a virtual environment. The group continues to trade in the principal activity of Minesoft, developing patent information software and solutions and related products, databases and services. The PatBase product continues its success and Minesoft continued to develop a ground-breaking, fast new Search Engine for this product throughout 2020, in preparation for the launch towards the end of 2020. This new, very successful development project enabled Minesoft to secure important business overseas. Minesoft continued to design and develop new product capabilities and functionalities that assist remote working teams in the corporate and attorney environment and this is seeing good general uptake and garnering interest in major markets. Minesoft continued to design and develop the new advanced Patent Analytics software that analyses a very large amount of data in detail almost instantaneously, linked to the new search engine project. Important development and marketing work was continued throughout the Covid-19 Lockdown period that extended from 2020 into 2021 while the staff began a partial return to the office environment.

Principal risks and uncertainties

The difficulties around on-site visits for existing clients and to new clients due to Covid is one factor that can hold up new sales, as well as political policies and communication with the EU following Brexit, a source of uncertainty for UK export business in general still. Nevertheless, we have seen the business increase in the EU zone in 2021 after the exit of UK from the EU in January and it remains on track with promising signs of high growth as the large North European corporations return to their offices and adapt to the new hybrid normal working procedures, as in the UK. The group continued to invest in the two subsidiaries overseas and did not furlough any staff in the group. The group invested further in staff and product training as well as continuing to devise more US-centric products and marketing for the USA market, that can be adapted also for the international markets. The subscription business remains steady for the group and renewal rates everywhere remain high overall, looking likely to secure much business for the coming years.

Development and performance

Minesoft experienced steady growth overall internationally and in the Eurozone, winning new global business awards and recognition including several in the growing Legal/Tech sector. The main markets for Minesoft are in advanced manufacturing nations and new business was also won in Argentina, Colombia and Mexico, adding to the growing South American client base. In 2021 the trend has been strong once again in innovation, with development of several key new software capabilities relating to patent information and searching, such as very fast new advanced patent landscaping software for competitive intelligence and in the development of new text-mining capabilities that will be released to the scientific sector in 2022. Significantly, the group continued to win new business during this financial year while being unable to see clients face-to-face. This translates to a new way of conducting business in future that can help profitability by reducing cost. Minesoft continues to expand and deepen Intellectual Property coverage of key countries while improving coverage of other small but innovative collections of patent data and industrial designs. The group continues to develop and perform well in its core business with its own product range, developed and designed in-house at Minesoft.

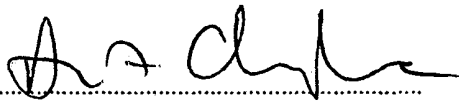
MINESOFT LIMITED

**Group Strategic Report
for the year ended 31 August 2021**

Financial key performance indicators

The impact of covid this and last year have slowed the very fast pace of growth experienced previously, nevertheless the group has increased its turnover and overall activities in each successive year through organic growth without any acquisition. The latest financial year shows an overall increase of 1% in turnover and a 4.1% increase in gross profit. The overall number of staff and distributors working in sales remains high and significant investment is being made to lay the foundation for increased sales. The group remains highly profitable, generating substantial cash reserves that can be used to further fuel growth and accelerate new products. The overall costs of the group have been well managed as we continue to manage the impacts of the covid pandemic.

On behalf of the board:



Director

Date: 6th Dec 2021

MINESOFT LIMITED

Report of the Directors for the year ended 31 August 2021

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2021.

Principal activity

The principal activity of the group in the year under review was that of software development, distribution and consultancy.

Dividends

Dividends declared during the year are as follows:

Interim dividends totalling £60,000 were declared and paid in the year in respect of the Ordinary D shares.

Interim dividends totalling £1,000,000, £7,500 and £525,000 were declared and paid in the year in respect of the Ordinary A shares, Ordinary B shares and Ordinary C shares respectively.

Directors

The directors shown below have held office during the whole of the period from 1 September 2020 to the date of this report.

A F Chapman-Daniel
O Daniel
R A Hyatt

Statement of directors' responsibilities

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

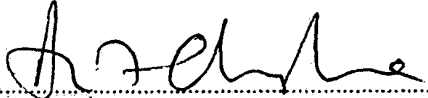
MINESOFT LIMITED

**Report of the Directors
for the year ended 31 August 2021**

Auditors

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:



Director

Date: 6th Dec 2021

**Report of the Independent Auditors to the Members of
Minesoft Limited**

Opinion

We have audited the financial statements of Minesoft Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed within note 2 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

**Report of the Independent Auditors to the Members of
Minesoft Limited**

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the 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 Group Strategic Report or the Report of the Directors.

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

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and 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.

Report of the Independent Auditors to the Members of Minesoft Limited

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We discussed with the Directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Report of the Independent Auditors to the Members of
Minesoft Limited**

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 a Report of the Auditors 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.

Haines Watts

Paul Hodgett BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants
Statutory Auditor
Aissela
46 High Street
Esher
Surrey
KT10 9QY

Date: 7 December 2021.....

MINESOFT LIMITED
Consolidated
Statement of Comprehensive
Income
for the year ended 31 August 2021

	Notes	2021 £	2020 £
Turnover	3	16,552,657	16,380,125
Cost of sales		<u>(7,755,874)</u>	<u>(7,932,447)</u>
Gross profit		8,796,783	8,447,678
Administrative expenses		<u>(5,610,143)</u>	<u>(5,777,904)</u>
		3,186,640	2,669,774
Other operating income		<u>-</u>	<u>451</u>
Operating profit	6	3,186,640	2,670,225
Interest receivable and similar income		<u>303</u>	<u>8,735</u>
Profit before taxation		3,186,943	2,678,960
Tax on profit	7	<u>(224,306)</u>	<u>(179,732)</u>
Profit for the financial year		<u>2,962,637</u>	<u>2,499,228</u>
Other comprehensive income		0	0
Total Comprehensive Income		<u>2,962,637</u>	<u>2,499,228</u>

The notes form part of these financial statements


MINESOFT LIMITED (REGISTERED NUMBER: 03237682)

Consolidated Balance Sheet
31 August 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	10		3,568		(27,560)
Tangible assets	11		236,321		226,081
Investments	12		-		-
			<u>239,889</u>		<u>198,521</u>
Current assets					
Debtors	13	2,630,943		3,201,084	
Cash at bank and in hand		<u>10,719,697</u>		<u>9,225,663</u>	
		13,350,640		12,426,747	
Creditors					
Amounts falling due within one year	14	<u>4,318,762</u>		<u>4,730,327</u>	
Net current assets			<u>9,031,878</u>		<u>7,696,420</u>
Total assets less current liabilities			9,271,767		7,894,941
Provisions for liabilities	16		<u>54,939</u>		<u>48,250</u>
Net assets			<u>9,216,828</u>		<u>7,846,691</u>
Capital and reserves					
Called up share capital	17		4,978		4,978
Share premium	18		57,746		57,746
Retained earnings	18		<u>9,154,104</u>		<u>7,783,967</u>
Shareholders' funds			<u>9,216,828</u>		<u>7,846,691</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6th Dec 2021 and were signed on its behalf by:


A F Chapman-Daniel - Director


O Daniel - Director


MINESOFT LIMITED (REGISTERED NUMBER: 03237682)

Company Balance Sheet
31 August 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	10		52,830		27,860
Tangible assets	11		236,317		226,080
Investments	12		<u>146,968</u>		<u>146,968</u>
			436,115		400,908
Current assets					
Debtors	13	2,550,269		3,109,163	
Cash at bank and in hand		<u>10,633,048</u>		<u>9,044,245</u>	
		13,183,317		12,153,408	
Creditors					
Amounts falling due within one year	14	<u>4,293,942</u>		<u>4,416,205</u>	
Net current assets			<u>8,889,375</u>		<u>7,737,203</u>
Total assets less current liabilities			9,325,490		8,138,111
Provisions for liabilities	16		<u>54,939</u>		<u>48,250</u>
Net assets			<u>9,270,551</u>		<u>8,089,861</u>
Capital and reserves					
Called up share capital	17		4,978		4,978
Share premium	18		57,746		57,746
Retained earnings	18		<u>9,207,827</u>		<u>8,027,137</u>
Shareholders' funds			<u>9,270,551</u>		<u>8,089,861</u>
Company's profit for the financial year			<u>2,773,190</u>		<u>2,742,398</u>

The financial statements were approved by the Board of Directors and authorised for issue on 6th Dec 2021 and were signed on its behalf by:


.....
O. Daniel - Director


.....
A F Chapman-Daniel - Director

The notes form part of these financial statements

MINESOFT LIMITED

Consolidated Statement of Changes in Equity
for the year ended 31 August 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 September 2019	4,968	6,234,739	52,378	6,292,085
Changes in equity				
Issue of share capital	10	-	5,368	5,378
Dividends	-	(950,000)	-	(950,000)
Total comprehensive income	-	2,499,228	-	2,499,228
Balance at 31 August 2020	<u>4,978</u>	<u>7,783,967</u>	<u>57,746</u>	<u>7,846,691</u>
Changes in equity				
Dividends	-	(1,592,500)	-	(1,592,500)
Total comprehensive income	-	2,962,637	-	2,962,637
Balance at 31 August 2021	<u>4,978</u>	<u>9,154,104</u>	<u>57,746</u>	<u>9,216,828</u>

The notes form part of these financial statements

MINESOFT LIMITED**Company Statement of Changes in Equity
for the year ended 31 August 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 September 2019	4,968	6,234,739	52,378	6,292,085
Changes in equity				
Issue of share capital	10	-	5,368	5,378
Dividends	-	(950,000)	-	(950,000)
Total comprehensive income	-	<u>2,742,398</u>	-	<u>2,742,398</u>
Balance at 31 August 2020	<u>4,978</u>	<u>8,027,137</u>	<u>57,746</u>	<u>8,089,861</u>
Changes in equity				
Dividends	-	(1,592,500)	-	(1,592,500)
Total comprehensive income	-	<u>2,773,190</u>	-	<u>2,773,190</u>
Balance at 31 August 2021	<u>4,978</u>	<u>9,207,827</u>	<u>57,746</u>	<u>9,270,551</u>

The notes form part of these financial statements

MINESOFT LIMITED

**Consolidated Cash Flow Statement
for the year ended 31 August 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	3,565,203	1,912,592
Tax paid		<u>(315,291)</u>	<u>(315,911)</u>
Net cash from operating activities		<u>3,249,912</u>	<u>1,596,681</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(57,970)	(42,031)
Purchase of tangible fixed assets		(105,711)	(122,482)
Interest received		<u>303</u>	<u>8,735</u>
Net cash from investing activities		<u>(163,378)</u>	<u>(155,778)</u>
Cash flows from financing activities			
Share issue		-	(10)
Equity dividends paid		<u>(1,592,500)</u>	<u>(950,000)</u>
Net cash from financing activities		<u>(1,592,500)</u>	<u>(950,010)</u>
		<hr/>	<hr/>
Increase in cash and cash equivalents		1,494,034	490,893
Cash and cash equivalents at beginning of year	2	9,225,663	8,655,711
Consolidated adjustment for subsidiary cash		<u>-</u>	<u>79,059</u>
Cash and cash equivalents at end of year	2	<u>10,719,697</u>	<u>9,225,663</u>

The notes form part of these financial statements

MINESOFT LIMITED

**Notes to the Consolidated Cash Flow Statement
for the year ended 31 August 2021**

1. Reconciliation of profit before taxation to cash generated from operations

	2021	2020
	£	£
Profit before taxation	3,186,943	2,678,960
Depreciation charges	122,375	160,839
Finance income	<u>(303)</u>	<u>(8,735)</u>
	3,309,015	2,831,064
Decrease/(increase) in trade and other debtors	570,079	(957,331)
(Decrease)/increase in trade and other creditors	<u>(313,891)</u>	<u>38,859</u>
Cash generated from operations	<u>3,565,203</u>	<u>1,912,592</u>

2. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 August 2021

	31/8/21	1/9/20
	£	£
Cash and cash equivalents	<u>10,719,697</u>	<u>9,225,663</u>

Year ended 31 August 2020

	31/8/20	1/9/19
	£	£
Cash and cash equivalents	<u>9,225,663</u>	<u>8,655,711</u>

3. Analysis of changes in net funds

	At 1/9/20	Cash flow	At 31/8/21
	£	£	£
Net cash			
Cash at bank and in hand	<u>9,225,663</u>	<u>1,494,034</u>	<u>10,719,697</u>
	<u>9,225,663</u>	<u>1,494,034</u>	<u>10,719,697</u>
Total	<u>9,225,663</u>	<u>1,494,034</u>	<u>10,719,697</u>

MINESOFT LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 August 2021

1. Statutory information

Minesoft Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis. The basis is considered appropriate by the directors.

The Directors have reviewed and considered relevant information in making their assessment including consideration of the current cash position and expected trading activity. The Directors do not consider covid to have a significant impact on their core business activity. As a result trading has continued broadly as normal and the Directors consider this will be the case into the future. Based on the current cash position and the Directors assertion that there will be profitable future trading, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

The financial statements do not include any adjustments that would be required if the going concern concept was not deemed appropriate.

Basis of consolidation

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

Key source of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating deferred income. The group analyses their deferred income on a monthly basis based on the period of the subscription which has been purchased by the customer. Whilst every attempt is made to ensure that the deferred income is as accurate as possible, there remains a risk that the incorrect period has been used to calculate deferred income.

MINESOFT LIMITED

Notes to the Consolidated Financial Statements - continued for the year ended 31 August 2021

2. Accounting policies - continued

Revenue

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue relating to the licencing of the group's patent database is recognised in full at the commencement of the relevant licence period. Sales invoices are raised at this stage, at which the group has fulfilled its obligations under the sales contract.

Deferred income recognised within the balance sheet relates to invoices raised prior to the year end for licence periods commencing after the year end.

Revenue from professional services (consultancy and training) is recognised as the services are performed/delivered.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 0, is being amortised evenly over its estimated useful life of nil years.

Intangible assets

A proportion of the data expenditure incurred by the group is capitalised each year, on the basis that the expenditure will produce future economic benefits for the group. The capitalised expenditure is amortised over 3 years on a straight line basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts.

Financial liabilities and equity instruments issued by the group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs.

MINESOFT LIMITED

Notes to the Consolidated Financial Statements - continued for the year ended 31 August 2021

2. Accounting policies - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The group is a beneficiary of Research & Development (R&D) tax relief from the UK Government in the form of reductions in its annual tax liability, as well as repayable tax credits. Current tax assets of reductions in current tax liabilities for R&D claims are only recognised when the amount can be reliably determined and the probability of HM Revenue & Customs accepting the claim is considered high.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

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

The contributions are recognised as an expense in the profit or loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

MINESOFT LIMITED

Notes to the Consolidated Financial Statements - continued for the year ended 31 August 2021

3. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	1,805,736	1,529,295
Europe	10,094,662	9,840,839
United States of America	3,385,527	3,628,317
Rest of World	1,266,732	1,381,674
	<u>16,552,657</u>	<u>16,380,125</u>

4. Employees and directors

	2021	2020
	£	£
Wages and salaries	4,675,151	4,762,909
Social security costs	718,274	597,230
Other pension costs	90,160	82,988
	<u>5,483,585</u>	<u>5,443,127</u>

The average number of employees during the year was as follows:

	2021	2020
Administration	24	27
Management	7	6
Research and development	9	8
	<u>40</u>	<u>41</u>

MINESOFT LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 August 2021**

5. Directors' emoluments

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

	2021	2020
	£	£
Remuneration	2,044,560	2,309,955
Company contribution to defined contribution pension plans	<u>24,186</u>	<u>23,640</u>

During the year retirement benefits were accruing to 3 directors (2020: 3) in respect of defined contribution pension schemes.

Remuneration of the highest paid director in respect of qualifying services:

	2021	2020
	£	£
Aggregate remuneration	1,038,158	1,037,957
Company contribution to defined contribution pension plans	<u>8,062</u>	<u>7,880</u>

6. Operating profit

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

	2021	2020
	£	£
Depreciation - owned assets	95,471	118,756
Goodwill amortisation	(6,158)	(6,158)
Computer software amortisation	33,000	48,241
Auditors' remuneration	17,500	16,000
Foreign exchange differences	<u>531,682</u>	<u>260,040</u>

MINESOFT LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 August 2021**

7. Taxation

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	199,938	180,182
USA tax	9,534	-
German tax	<u>8,145</u>	<u>-</u>
Total current tax	217,617	180,182
Deferred tax	<u>6,689</u>	<u>(450)</u>
Tax on profit	<u><u>224,306</u></u>	<u><u>179,732</u></u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	<u>3,186,943</u>	<u>2,678,960</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	605,519	509,002
Effects of:		
Expenses not deductible for tax purposes	1,858	394
Depreciation in excess of capital allowances	6,689	472
Enhanced research and development relief	(361,396)	(367,518)
Deferred Tax	(6,689)	(450)
UK foreign tax relief	-	(15,281)
Foreign income not taxed at UK rates	(39,354)	46,026
Foreign tax paid	<u>17,679</u>	<u>7,087</u>
Total tax charge	<u><u>224,306</u></u>	<u><u>179,732</u></u>

8. Individual statement of comprehensive income

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

MINESOFT LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 August 2021**

9. Dividends

Dividends paid during the year:

	2021	2020
	£	£
Equity dividends on Ordinary A shares	1,000,000	800,000
Equity dividends on Ordinary B shares	7,500	-
Equity dividends on Ordinary C shares	525,000	100,000
Equity dividends on Ordinary D shares	<u>60,000</u>	<u>50,000</u>
	<u>1,592,500</u>	<u>950,000</u>

10. Intangible fixed assets

Group

	Goodwill	Computer software	Totals
	£	£	£
Cost			
At 1 September 2020	(61,578)	145,762	84,184
Additions	<u>-</u>	<u>57,970</u>	<u>57,970</u>
At 31 August 2021	<u>(61,578)</u>	<u>203,732</u>	<u>142,154</u>
Amortisation			
At 1 September 2020	(6,158)	117,902	111,744
Amortisation for year	<u>(6,158)</u>	<u>33,000</u>	<u>26,842</u>
At 31 August 2021	<u>(12,316)</u>	<u>150,902</u>	<u>138,586</u>
Net book value			
At 31 August 2021	<u>(49,262)</u>	<u>52,830</u>	<u>3,568</u>
At 31 August 2020	<u>(55,420)</u>	<u>27,860</u>	<u>(27,560)</u>

Goodwill has been recognised on consolidation, in respect of the US subsidiary, Minesoft LLC. Goodwill on consolidation is being amortised on a straight line basis over a period of ten years.

Computer software costs represents data expenditure incurred by the company, that is expected to generate future economic benefits in future years. This is amortised on a straight line basis, over a period of three years.

MINESOFT LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 August 2021**

10. Intangible fixed assets - continued

Company

	Computer software £
Cost	
At 1 September 2020	145,762
Additions	<u>57,970</u>
At 31 August 2021	<u>203,732</u>
Amortisation	
At 1 September 2020	117,902
Amortisation for year	<u>33,000</u>
At 31 August 2021	<u>150,902</u>
Net book value	
At 31 August 2021	<u>52,830</u>
At 31 August 2020	<u>27,860</u>

11. Tangible fixed assets

Group

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 September 2020	189,676	39,381	544,935	773,992
Additions	<u>-</u>	<u>3,327</u>	<u>102,384</u>	<u>105,711</u>
At 31 August 2021	<u>189,676</u>	<u>42,708</u>	<u>647,319</u>	<u>879,703</u>
Depreciation				
At 1 September 2020	37,935	29,117	480,859	547,911
Charge for year	<u>37,935</u>	<u>3,566</u>	<u>53,970</u>	<u>95,471</u>
At 31 August 2021	<u>75,870</u>	<u>32,683</u>	<u>534,829</u>	<u>643,382</u>
Net book value				
At 31 August 2021	<u>113,806</u>	<u>10,025</u>	<u>112,490</u>	<u>236,321</u>
At 31 August 2020	<u>151,741</u>	<u>10,264</u>	<u>64,076</u>	<u>226,081</u>

MINESOFT LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 August 2021**

11. Tangible fixed assets - continued

Company

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
At 1 September 2020	189,676	37,320	534,151	761,147
Additions	<u>-</u>	<u>3,326</u>	<u>102,383</u>	<u>105,709</u>
At 31 August 2021	<u>189,676</u>	<u>40,646</u>	<u>636,534</u>	<u>866,856</u>
Depreciation				
At 1 September 2020	37,935	27,057	470,075	535,067
Charge for year	<u>37,935</u>	<u>3,567</u>	<u>53,970</u>	<u>95,472</u>
At 31 August 2021	<u>75,870</u>	<u>30,624</u>	<u>524,045</u>	<u>630,539</u>
Net book value				
At 31 August 2021	<u>113,806</u>	<u>10,022</u>	<u>112,489</u>	<u>236,317</u>
At 31 August 2020	<u>151,741</u>	<u>10,263</u>	<u>64,076</u>	<u>226,080</u>

12. Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 September 2020 and 31 August 2021	<u>146,968</u>
Net book value	
At 31 August 2021	<u>146,968</u>
At 31 August 2020	<u>146,968</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Minesoft GmbH

Registered office: Neuss, Germany

Nature of business: Development and operation of databases

Class of shares:

Ordinary

%
holding
100.00

MINESOFT LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 August 2021**

12. Fixed asset investments - continued

Minesoft LLC (f.k.a. Tempus IP LLC)

Registered office: USA

Nature of business: Development and operation of databases

Class of shares:	%
Ordinary	holding 100.00

13. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,226,181	2,851,111	2,176,267	2,774,558
Other debtors	97,254	90,316	77,624	77,624
VAT	192,354	156,226	192,354	156,226
Prepayments	<u>115,154</u>	<u>100,755</u>	<u>104,024</u>	<u>100,755</u>
	<u>2,630,943</u>	<u>3,198,408</u>	<u>2,550,269</u>	<u>3,109,163</u>
Amounts falling due after more than one year:				
Other debtors	<u>-</u>	<u>2,676</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>2,630,943</u>	<u>3,201,084</u>	<u>2,550,269</u>	<u>3,109,163</u>

14. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	863,630	837,477	860,567	837,475
Amounts owed to group undertakings	-	-	181,892	-
Tax	94,478	192,152	75,113	177,727
Social security and other taxes	63,821	59,408	63,821	59,408
Other creditors	105,540	102,275	14,627	10,488
Accruals and deferred income	<u>3,191,293</u>	<u>3,539,015</u>	<u>3,097,922</u>	<u>3,331,107</u>
	<u>4,318,762</u>	<u>4,730,327</u>	<u>4,293,942</u>	<u>4,416,205</u>

15. Leasing agreements

Minimum lease payments fall due as follows:

MINESOFT LIMITED

Notes to the Consolidated Financial Statements - continued
for the year ended 31 August 2021

15. Leasing agreements - continued

Company

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	274,700	275,456
Between one and five years	<u>92,315</u>	<u>325,375</u>
	<u>367,015</u>	<u>600,831</u>

16. Provisions for liabilities

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>54,939</u>	<u>48,250</u>	<u>54,939</u>	<u>48,250</u>
	<u>54,939</u>	<u>48,250</u>	<u>54,939</u>	<u>48,250</u>

Group

	Deferred tax
	£
Balance at 1 September 2020	48,250
Provided during year	<u>6,689</u>
Balance at 31 August 2021	<u>54,939</u>

Company

	Deferred tax
	£
Balance at 1 September 2020	48,250
Utilised during year	<u>6,689</u>
Balance at 31 August 2021	<u>54,939</u>

MINESOFT LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 August 2021**

17. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary A shares of £0.10 each	42,500	4,250	42,500	4,250
Ordinary B shares of £0.10 each	750	75	750	75
Ordinary C shares of £0.10 each	5,000	500	5,000	500
Ordinary D shares of £0.10 each	1,000	100	1,000	100
Ordinary E shares of £0.10 each	<u>525</u>	<u>53</u>	<u>525</u>	<u>53</u>
	<u>49,775</u>	<u>4,978</u>	<u>49,775</u>	<u>4,978</u>

Ordinary A shares have full voting rights and a right to receive dividends and capital distributions.

All other share classes have a right to receive dividends and capital distributions but do not entitle the holder to voting rights.

18. Reserves

Group

	Retained earnings £	Share premium £	Totals £
At 1 September 2020	7,783,967	57,746	7,841,713
Profit for the year	2,962,637		2,962,637
Dividends	<u>(1,592,500)</u>		<u>(1,592,500)</u>
At 31 August 2021	<u>9,154,104</u>	<u>57,746</u>	<u>9,211,850</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 September 2020	8,027,137	57,746	8,084,883
Profit for the year	2,773,190		2,773,190
Dividends	<u>(1,592,500)</u>		<u>(1,592,500)</u>
At 31 August 2021	<u>9,207,827</u>	<u>57,746</u>	<u>9,265,573</u>

19. Ultimate controlling party

The ultimate controlling party is A F Chapman-Daniel and O Daniel by virtue of their joint ownership of the company's Ordinary A shares.

MINESOFT LIMITED

**Notes to the Consolidated Financial Statements - continued
for the year ended 31 August 2021**

20. Share-based payment transactions

In order to provide incentive, the Board of Directors have granted share options to certain employees. At 31 August 2021 there were outstanding options to purchase up to 575 new ordinary E shares of 10p each granted under H M Revenue and Customs Enterprise Management Incentive Scheme Rules to 7 employees, including 1 director, at £53.78 per share. Additional unapproved options to purchase up to 90 new ordinary E shares, granted under the same terms, were outstanding to 2 non-UK resident employees. The options became exercisable at various dates in previous years and lapse in May 2024 or on the earlier termination of the option holder's employment.

No charge has been made in the financial statements for the cost of the options which were granted at the market value of the shares at the date the options were granted.