

# Daxtra Technologies Ltd.

Registered number: SC235713

## Annual Report

For the year ended 31 December 2020

COMPANIES HOUSE

3<sup>rd</sup> SEP 2021

EDINBURGH WALSLEY



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**DAXTRA TECHNOLOGIES LTD.**

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**COMPANY INFORMATION**

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| <b>Directors</b>           | A Mikheev<br>S P Finch<br>S Mak  |
| <b>Company secretary</b>   | MBM Secretarial Services Limited   |
| <b>Registered number</b>   | SC235713   |
| <b>Registered office</b>   | Suite 2<br>Ground Floor Orchard Brae House<br>30 Queensferry Road<br>Edinburgh<br>EH4 2HS  |
| <b>Trading Address</b>     | Top Floor South<br>Harbour Point<br>Newhailes Road<br>Musselburgh<br>EH21 6QD  |
| <b>Independent auditor</b> | Mazars LLP<br>Chartered Accountants & Statutory Auditor<br>Apex 2<br>97 Haymarket Terrace<br>Edinburgh<br>EH12 5HD   |
| <b>Bankers</b>             | Bank of Scotland plc<br>11 Earl Grey Street<br>Edinburgh<br>EH3 9BN<br><br>National Westminster Bank plc<br>16 The Boulevard<br>Crawley<br>West Sussex<br>RH10 1GL<br><br>Bank of America<br>PO Box 25118<br>Tampa<br>Florida<br>FL 33622-5118 |

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**DAXTRA TECHNOLOGIES LTD.**

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**DAXTRA TECHNOLOGIES LTD.**

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Introduction**

The directors present their Strategic Report for the year ended 31 December 2020. These results comprise those of Daxtra Technologies Ltd, HR Information Limited, and Daxtra Technologies Inc.

**Business review**

Group turnover for the period was £9.59m, a pro-rata increase of 5.7% on the previous 15 month period (2019: £11.34m).

The operating profit for the period was £0.738m (2019: £0.968m).

The Group's balance sheet shows net current assets of £0.683m (2019: £8.29m). Shareholder funds are £0.769m (2019: £8.31m).

During the year the company continued a strategic focus on sales operations facilitating an increase in sales over the previous period. The company considers strategic growth to be a critical part of its long-term future. To achieve its future growth ambitions and to effectively scale the company in the longer term, it is essential that the company develops a global approach to managing all its business operations, which ensures it can meet customer needs in a consistent way.

**Principal activities**

The principal activity of the Group continues to be the development, licencing and ongoing support of computer software for the recruitment industry.

Daxtra and its related companies is a global organisation with employees in multiple countries. These financial statements cover 4 countries, with a sales presence in multiple countries.

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Principal risks and uncertainties**

To deliver continued sustainable growth, the Group recognises the need to minimise the likelihood and impact of key risks. These risks are both general in nature i.e. business risks faced by all businesses and more specific to the Group and the market in which it operates.

The risks outlined here are those principal risks and uncertainties that are material to the Group. They do not include all risks associated with the Group and are not set out in any order of priority.

The Group manages competitive trading risk by continually updating the products and services it has to offer. The Group's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities, such as trade creditors, arise directly from the Group's operating activities.

The main risks associated with the Group's financial assets and liabilities are set out below.

**Price risk**

Daxtra is subject to competitive pressure from other vendors. Whilst we are confident of the value we bring to our clients, price pressure is a risk to our future financial performance. We mitigate this by continuously improving and differentiating the product offering.

**Liquidity risk**

The Group aims to mitigate liquidity risk by managing cash generating by its operations. All changes in expenditure are approved by the directors. Flexibility is maintained by retaining surplus cash in readily accessible bank deposit and current accounts and fixed interest government bonds.

**Foreign currency risk**

The Group's principal transactions are sales denominated in Euros, GB Pounds, and US Dollars. As a result, the Group's cash flow can be affected by movements in the exchange rate, although the risk is mitigated through a natural hedge with costs incurred in local currency.

**Information security**

The Group takes cyber risk management seriously and takes steps to protect its data and IP in compliance with GDPR.

**COVID-19**

The Group has taken measures in response to the global Covid-19 pandemic. The Group has considered government and public health guidance in the regions it operates, adjusting business operations where appropriate. Customer retention statistics continue to be closely monitored and reviewed on an ongoing basis.

**Financial key performance indicators**

The Group use several key performance indicators to manage its daily operations and management review. These include, but are not limited to, the KPIs detailed below:

|                                   | <b>2020</b> | <b>2019</b>              |
|-----------------------------------|-------------|--------------------------|
|                                   | <b>£</b>    | <b>(15 month period)</b> |
|                                   |             | <b>£</b>                 |
| Turnover                          | 9,591,026   | 11,339,443               |
| Operating profit                  | 738,033     | 968,194                  |
| Profit before tax                 | 822,881     | 1,049,575                |
| EBITDA                            | 790,216     | 1,037,560                |
| Cash and cash equivalents         | 1,856,616   | 8,403,158                |
| Net assets                        | 769,218     | 8,311,201                |
| Turnover per full time equivalent | 135,085     | 164,340                  |

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DAXTRA TECHNOLOGIES LTD.

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

*a.mikheev*

a.mikheev (Sep 29, 2021 15:52 GMT+1)

**A. Mikheev**  
Director

Date: Sep 29, 2021

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**Directors' responsibilities statement**

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the audited consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited consolidated financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 audited consolidated financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for 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 the Group and to enable them to ensure that the audited consolidated 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.

**Results and dividends**

The profit for the year, after taxation, amounted to £704,611 (2019 - £848,071).

The Company paid and declared dividends of £8,238,539 (2019 - £779,175).

**Directors**

The Directors who served during the period and up to the date of the report were:

A Mikheev  
S P Finch  
S Mak

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Future developments**

The Board continues to assess acquisition opportunities to complement the Group's organic growth strategy and increase the product coverage of the fuller value cycle. The Group has cash reserves of £2m. Areas under consideration include: competitors who bring market share; businesses with complementary data sources; companies with complimentary product suites without international reach.

**Matters covered in the Group Strategic Report**

The directors have included the business review, considerations of the principal risks and uncertainties, and the key performance indicators on pages 1 and 2.

**Disclosure of information to auditor**

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

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

**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

*a.mikheev*  
a.mikheev (Sep 29, 2021 15:52 GMT+1)

**A Mikheev**  
Director

Date: Sep 29, 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAXTRA TECHNOLOGIES LTD.**

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**Opinion**

We have audited the financial statements of Daxtra Technologies Ltd. (the 'Group and Company') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, and the Consolidated 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 and Company's affairs as at 31 December 2020 and of the Group 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 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 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 that 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 and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAXTRA TECHNOLOGIES LTD.**

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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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAXTRA TECHNOLOGIES LTD.**

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**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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 and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless either the directors intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

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

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

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. Based on our understanding of the Group and Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation, fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, manipulation of revenue recognition through cut-off, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Group and Company which were contrary to applicable laws and regulations, including fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAXTRA TECHNOLOGIES LTD.

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Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit report**

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

*Fiona Martin*  
Fiona Martin (Sep 29, 2021 16:58 GMT+1)

Fiona Martin (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

Date: Sep 29, 2021

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**DAXTRA TECHNOLOGIES LTD.**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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|   |      | Year ended<br>31<br>December<br>2020<br>£ | 15 months<br>ended<br>31<br>December<br>2019<br>£ |
|---|------|---|---|
|   | Note |   |   |
| Turnover  | 4    | 9,591,026                                 | 11,339,443  |
| Cost of sales   |      | (793,370)                                 | (732,634)   |
| <b>Gross profit</b>   |      | <b>8,797,656</b>                          | <b>10,606,809</b>                                 |
| Administrative expenses   |      | (8,059,623)                               | (9,672,807)                                       |
| Other operating income  | 5    | -   | 34,192  |
| <b>Operating profit</b>   | 6    | <b>738,033</b>                            | <b>968,194</b>                                    |
| Income from fixed assets investments                            | 10   | 48,612                                    | 54,215  |
| Interest income   | 11   | 37,352                                    | 28,149  |
| Interest payable and expenses                                   | 12   | (1,116)                                   | (983)   |
| <b>Profit before taxation</b>                                   |      | <b>822,881</b>                            | <b>1,049,575</b>                                  |
| Tax on profit   | 13   | (118,270)                                 | (201,504)   |
| <b>Profit for the financial year</b>                            |      | <b>704,611</b>                            | <b>848,071</b>                                    |
| <br>  |      |   |   |
| <b>Total comprehensive income for the year</b>                  |      | <b>704,611</b>                            | <b>848,071</b>                                    |
| <b>Profit for the year attributable to:</b>                     |      |   |   |
| Owners of the parent Company                                    |      | 704,611                                   | 848,071   |
| <b>Total comprehensive income for the year attributable to:</b> |      |   |   |
| Owners of the parent Company                                    |      | 704,611                                   | 848,071   |

The notes on pages 17 to 37 form part of these financial statements.

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2020

|  | Note | 31<br>December<br>2020<br>£ | 31<br>December<br>2019<br>£ |
|--|------|-----------------------------|-----------------------------|
| <b>Fixed assets</b>                            |      |                             |                             |
| Intangible fixed assets                        | 15   | 60,214                      | -                           |
| Tangible fixed assets                          | 16   | 20,624                      | 13,853                      |
| Fixed asset investments                        | 17   | 5,000                       | 5,000                       |
|  |      | <u>85,838</u>               | <u>18,853</u>               |
| <b>Current assets</b>                          |      |                             |                             |
| Debtors due after more than 1 year             | 18   | -                           | 207,201                     |
| Debtors due within 1 year                      | 18   | 1,763,285                   | 1,439,356                   |
| Current asset investments                      | 19   | 1,452,868                   | 4,510,060                   |
| Cash and cash equivalents                      | 20   | 1,856,616                   | 8,403,158                   |
|  |      | <u>5,072,769</u>            | <u>14,559,775</u>           |
| Creditors: amounts falling due within one year | 21   | (4,389,389)                 | (6,267,427)                 |
|  |      | <u>683,380</u>              | <u>8,292,348</u>            |
| <b>Net current assets</b>                      |      | <u>683,380</u>              | <u>8,292,348</u>            |
| <b>Net assets</b>                              |      | <u><u>769,218</u></u>       | <u><u>8,311,201</u></u>     |
| <b>Capital and reserves</b>                    |      |                             |                             |
| Called up share capital                        | 23   | 105                         | 105                         |
| Share premium account                          | 24   | 9,345                       | 9,345                       |
| Other reserves                                 | 24   | 8,007                       | 16,062                      |
| Profit and loss account                        | 24   | 751,761                     | 8,285,689                   |
|  |      | <u>769,218</u>              | <u>8,311,201</u>            |

The financial statements were approved and authorised for issue by the board and were signed on its behalf:

a.mikheev  
a.mikheev (Sep 29, 2021 15:52 GMT+1)

**A Mikheev**  
Director

Date: Sep 29, 2021

The notes on pages 17 to 37 form part of these financial statements

COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2020

|  | Note | 31<br>December<br>2020<br>£ | 31<br>December<br>2019<br>£ |
|--|------|-----------------------------|-----------------------------|
| <b>Fixed assets</b>                            |      |                             |                             |
| Intangible fixed assets                        | 15   | 60,214                      | -                           |
| Tangible fixed assets                          | 16   | 20,624                      | 3,473                       |
| Investments                                    | 17   | 5,002                       | 5,002                       |
|  |      | <u>85,840</u>               | <u>8,475</u>                |
| <b>Current assets</b>                          |      |                             |                             |
| Debtors: amounts falling due within one year   | 18   | 1,600,717                   | 1,487,136                   |
| Cash and cash equivalents                      | 20   | 755,370                     | 6,170,317                   |
|  |      | <u>2,356,087</u>            | <u>7,657,453</u>            |
| Creditors: Amounts Falling Due Within One Year | 21   | (1,401,894)                 | (1,660,709)                 |
| <b>Net current assets</b>                      |      | <u>954,193</u>              | <u>5,996,744</u>            |
| <b>Total assets less current liabilities</b>   |      | <u>1,040,033</u>            | <u>6,005,219</u>            |
| <b>Net assets</b>                              |      | <u>1,040,033</u>            | <u>6,005,219</u>            |
| <b>Capital and reserves</b>                    |      |                             |                             |
| Called up share capital                        | 23   | 105                         | 105                         |
| Share premium account                          | 24   | 9,345                       | 9,345                       |
| Profit and loss account brought forward        |      | 5,995,769                   | 6,342,357                   |
| Profit for the year                            |      | 3,273,353                   | 454,387                     |
| Other changes in the profit and loss account   |      | (8,238,539)                 | (800,975)                   |
| Profit and loss account carried forward        |      | <u>1,030,583</u>            | <u>5,995,769</u>            |
|  |      | <u>1,040,033</u>            | <u>6,005,219</u>            |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

a.mikheev  
a.mikheev (Sep 29, 2021 15:52 GMT+1)

**A Mikheev**  
Director

Date: Sep 29, 2021

The notes on pages 17 to 37 form part of these financial statements.

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**DAXTRA TECHNOLOGIES LTD.**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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|  | <b>Called up<br/>share capital</b> | <b>Share<br/>premium<br/>account</b> | <b>Other<br/>reserves</b> | <b>Profit and<br/>loss account</b> | <b>Total equity</b>   |
|--|------------------------------------|--------------------------------------|---------------------------|------------------------------------|-----------------------|
|  | <b>£</b>                           | <b>£</b>                             | <b>£</b>                  | <b>£</b>                           | <b>£</b>              |
| <b>At 1 October 2018</b>                     | 105                                | 9,345                                | 17,479                    | 8,238,593                          | 8,265,522             |
| Profit for the period                        | -                                  | -                                    | -                         | 848,071                            | 848,071               |
| Foreign exchange difference on consolidation | -                                  | -                                    | (1,417)                   | -                                  | (1,417)               |
| Dividends: Equity capital                    | -                                  | -                                    | -                         | (779,175)                          | (779,175)             |
| Purchase of own shares                       | -                                  | -                                    | -                         | (21,800)                           | (21,800)              |
| <b>At 1 January 2020</b>                     | <u>105</u>                         | <u>9,345</u>                         | <u>16,062</u>             | <u>8,285,689</u>                   | <u>8,311,201</u>      |
| Profit for the year                          | -                                  | -                                    | -                         | 704,611                            | 704,611               |
| Foreign exchange difference on consolidation | -                                  | -                                    | (8,055)                   | -                                  | (8,055)               |
| Dividends: Equity capital                    | -                                  | -                                    | -                         | (8,238,539)                        | (8,238,539)           |
| <b>At 31 December 2020</b>                   | <u><u>105</u></u>                  | <u><u>9,345</u></u>                  | <u><u>8,007</u></u>       | <u><u>751,761</u></u>              | <u><u>769,218</u></u> |

The notes on pages 17 to 37 form part of these financial statements.

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**DAXTRA TECHNOLOGIES LTD.**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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|                            | Called up<br>share capital | Share<br>premium<br>account | Profit and<br>loss account | Total equity |
|----------------------------|----------------------------|-----------------------------|----------------------------|--------------|
|                            | £                          | £                           | £                          | £            |
| <b>At 1 October 2018</b>   | 105                        | 9,345                       | 6,342,357                  | 6,351,807    |
| Profit for the period      | -                          | -                           | 454,387                    | 454,387      |
| Dividends: Equity capital  | -                          | -                           | (779,175)                  | (779,175)    |
| Purchase of own shares     | -                          | -                           | (21,800)                   | (21,800)     |
| <b>At 1 January 2020</b>   | 105                        | 9,345                       | 5,995,769                  | 6,005,219    |
| Profit for the year        | -                          | -                           | 3,273,353                  | 3,273,353    |
| Dividends: Equity capital  | -                          | -                           | (8,238,539)                | (8,238,539)  |
| <b>At 31 December 2020</b> | 105                        | 9,345                       | 1,030,583                  | 1,040,033    |

The notes on pages 17 to 37 form part of these financial statements.

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**DAXTRA TECHNOLOGIES LTD.**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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|   | 2020<br>£          | 2019<br>£          |
|---|--------------------|--------------------|
| <b>Cash flows from operating activities</b>                   |                    |                    |
| Profit for the financial year                                 | 704,611            | 848,071            |
| <b>Adjustments for:</b>                                       |                    |                    |
| Depreciation of tangible fixed assets                         | 3,571              | 20,438             |
| Foreign exchange difference                                   | (8,055)            | (1,417)            |
| Loss on disposal of tangible fixed assets                     | 10,380             | -                  |
| Interest income   | (37,352)           | (28,149)           |
| Interest paid   | 1,116              | 983                |
| Dividends received  | (48,612)           | (54,215)           |
| Taxation charge   | 118,270            | 201,504            |
| (Increase)/decrease in debtors                                | (64,280)           | 189,837            |
| (Increase)/decrease in amounts owed by related undertakings   | (52,510)           | 803,586            |
| (Decrease)/increase in creditors                              | (1,316,960)        | 925,250            |
| Decrease in amounts owed to related undertakings              | (457,720)          | (282,829)          |
| Corporation tax (paid)/repaid                                 | (221,566)          | 53,103             |
| <b>Net cash (used)/generated in operating activities</b>      | <b>(1,369,107)</b> | <b>2,676,162</b>   |
| <b>Cash flows from investing activities</b>                   |                    |                    |
| Purchase of intangible fixed assets                           | (60,214)           | -                  |
| Purchase of tangible fixed assets                             | (20,722)           | (4,995)            |
| Purchase of unlisted and other investments                    | -                  | (4,510,058)        |
| Redemption of short term unlisted investments                 | 3,057,192          | -                  |
| Interest income   | 37,352             | 28,149             |
| Dividends received  | 48,612             | 54,215             |
| <b>Net cash generated from/(used in) investing activities</b> | <b>3,062,220</b>   | <b>(4,432,689)</b> |
| <b>Cash flows from financing activities</b>                   |                    |                    |
| Purchase of ordinary shares                                   | -                  | (21,800)           |
| Dividends paid  | (8,238,539)        | (779,175)          |
| Interest paid   | (1,116)            | (983)              |
| <b>Net cash used in financing activities</b>                  | <b>(8,239,655)</b> | <b>(801,958)</b>   |
| <b>Net decrease in cash and cash equivalents</b>              | <b>(6,546,542)</b> | <b>(2,558,485)</b> |
| Cash and cash equivalents at beginning of year                | 8,403,158          | 10,961,643         |
| <b>Cash and cash equivalents at the end of year</b>           | <b>1,856,616</b>   | <b>8,403,158</b>   |

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**DAXTRA TECHNOLOGIES LTD.**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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|   | 2020<br>£ | 2019<br>£ |
|---|-----------|-----------|
| <b>Cash and cash equivalents at the end of year comprise:</b> |           |           |
| Cash at bank and in hand                                      | 1,856,616 | 8,403,158 |

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**(i) Analysis of changes in net debt:**

|                          | At 1<br>January<br>2020<br>£ | Cash flows<br>£    | At 31<br>December<br>2020<br>£ |
|--------------------------|------------------------------|--------------------|--------------------------------|
| Cash at bank and in hand | 8,403,158                    | (6,546,542)        | 1,856,616                      |
| Debt due within 1 year   | (6,267,427)                  | 1,850,976          | (4,416,451)                    |
|                          | <u>2,135,731</u>             | <u>(4,695,566)</u> | <u>(2,559,835)</u>             |

The notes on pages 17 to 37 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

Daxtra Technologies Ltd is a private Company limited by shares registered in Scotland. The Company's registered number is SC235713 and the Company's registered address is situated at Suite 2, Ground Floor Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS.

The principal activity of the Group and Company during the period under review continued to be that of the design and supply of computer software and the sale of related hardware and services.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

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

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

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

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

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2014.

**2.3 Going concern**

On 30 January 2020, the World Health Organisation (WHO), declared COVID-19 as a 'Public Health Emergency of International Concern'. The Directors have considered the impact of the outbreak on current and future trading, and have not identified any concerns. The Directors have considered the company and group cash position for the next 12 months and are of the opinion that the company and group has sufficient resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Based on the above, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.4 Turnover**

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

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Intangible fixed assets**

Intangible fixed assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible fixed assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

|          |   |    |                 |
|----------|---|----|-----------------|
| Software | - | 10 | % straight line |
|----------|---|----|-----------------|

**2.6 Tangible fixed assets**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.6 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

|                     |   |     |
|---------------------|---|-----|
| Fixtures & fittings | - | 25% |
| Office equipment    | - | 25% |

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in interest bearing treasury bills are measured at cost less impairment.

**2.8 Debtors**

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

**2.9 Cash and cash equivalents**

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

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

**2.10 Financial instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

**2.11 Creditors**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.12 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

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

**2.13 Finance costs**

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

**2.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.15 Operating leases: the Group as lessee**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.16 Pensions**

**Defined contribution pension plan**

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

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

**2.17 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**2.18 Taxation**

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.19 Research and development**

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

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

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

In the application of the Company'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 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 areas of judgement include an assessment of deferred income, with advance quarterly billing in most instances. Management has procedures in place to calculate the requisite deferral of income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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4. Turnover

|   | Year ended<br>31<br>December<br>2020<br>£ | 15 months<br>ended<br>31<br>December<br>2019<br>£ |
|---|---|---|
| Sales of software and associated services | 9,591,026                                 | 11,339,443  |

Analysis of turnover by country of destination:

|                | Year ended<br>31<br>December<br>2020<br>£ | 15 months<br>ended<br>31<br>December<br>2019<br>£ |
|----------------|---|---|
| United Kingdom | 4,301,831                                 | 4,970,453   |
| Rest of Europe | 405,622                                   | 462,521   |
| Rest of World  | 4,883,573                                 | 5,906,469   |
|                | <u>9,591,026</u>                          | <u>11,339,443</u>                                 |

5. Other operating income

|                  | Year ended<br>31<br>December<br>2020<br>£ | 15 months<br>ended<br>31<br>December<br>2019<br>£ |
|------------------|---|---|
| R & D Tax credit | -   | 34,192  |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. Operating profit**

The operating profit is stated after charging:

|                               | <b>Year ended<br/>31<br/>December<br/>2020<br/>£</b> | <b>15 months<br/>ended<br/>31<br/>December<br/>2019<br/>£</b> |
|-------------------------------|--|---|
| Exchange differences          | (33,821)   | 156,098   |
| Other operating lease rentals | 212,703  | 198,578   |
|                               | <u>                    </u>                          | <u>                    </u>                                   |

**7. Auditor's remuneration**

|  | <b>Year ended<br/>31<br/>December<br/>2020<br/>£</b> | <b>15 months<br/>ended<br/>31<br/>December<br/>2019<br/>£</b> |
|--|--|---|
| Fees payable to the Group's auditor for the audit of the Group's annual financial statements | 24,350   | 27,500  |
|  | <u>                    </u>                          | <u>                    </u>                                   |
| <b>Fees payable to the Group's auditor in respect of:</b>                                    |  |   |
| All other services   | 33,320   | 9,795   |
|  | <u>                    </u>                          | <u>                    </u>                                   |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Employees

Staff costs were as follows:

|                                     | Group<br>Year ended<br>31<br>December<br>2020<br>£ | Group<br>Period<br>ended 31<br>December<br>2019<br>£ | Company<br>Year ended<br>31<br>December<br>2020<br>£ | Company<br>Period<br>ended 31<br>December<br>2019<br>£ |
|-------------------------------------|--|--|--|--|
| Wages and salaries                  | 3,292,280  | 4,128,526  | 1,509,597  | 2,150,820  |
| Social security costs               | 294,733  | 362,653  | 174,724  | 224,290  |
| Cost of defined contribution scheme | 53,518   | 64,529   | 30,246   | 35,588   |
|                                     | <u>3,640,531</u>                                   | <u>4,555,708</u>                                     | <u>1,714,567</u>                                     | <u>2,410,698</u>                                       |

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

|                | Year ended<br>31<br>December<br>2020<br>No. | Period<br>ended 31<br>December<br>2019<br>No. |
|----------------|---|---|
| Administration | <u>71</u>                                   | <u>69</u>                                     |

9. Directors' remuneration

During the period, directors received emoluments of £132,691 (2019: £160,346).

10. Income from investments

|   | Year ended<br>31<br>December<br>2020<br>£ | 15 months<br>ended<br>31<br>December<br>2019<br>£ |
|---|---|---|
| Interest received on redemption of unlisted investments | <u>48,612</u>                             | <u>54,215</u>                                     |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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11. Interest receivable

|  | Year ended<br>31<br>December<br>2020<br>£ | 15 months<br>ended<br>31<br>December<br>2019<br>£ |
|--|---|---|
| Interest receivable from group companies | 1,500                                     | 17,440  |
| Other interest receivable                | 35,852                                    | 10,709  |
|  | <u>37,352</u>                             | <u>28,149</u>                                     |

12. Interest payable and similar expenses

|                        | Year ended<br>31<br>December<br>2020<br>£ | 15 months<br>ended<br>31<br>December<br>2019<br>£ |
|------------------------|---|---|
| Other interest payable | 1,116                                     | 983   |
|                        | <u>1,116</u>                              | <u>983</u>  |

13. Taxation

|  | Year ended<br>31<br>December<br>2020<br>£ | 15 months<br>ended<br>31<br>December<br>2019<br>£ |
|--|---|---|
| <b>Corporation tax</b>                     |   |   |
| Current tax on profits for the year/period | 136,858                                   | 230,000   |
| Adjustments in respect of prior periods    | (18,588)                                  | (28,496)  |
| <b>Total current tax</b>                   | <u>118,270</u>                            | <u>201,504</u>                                    |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. Taxation (continued)**

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2019 -the same as) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

|  | Year ended<br>31<br>December<br>2020<br>£ | 15 months<br>ended<br>31<br>December<br>2019<br>£ |
|--|---|---|
| Profit on ordinary activities before tax   | 822,881                                   | 1,049,575   |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | 156,347                                   | 199,419   |
| <b>Effects of:</b>   |   |   |
| Expenses not deductible for tax purposes   | 9,053                                     | 15,766  |
| Adjustments to tax charge in respect of prior periods  | (18,588)                                  | (28,496)  |
| Research and development tax credit  | (135,324)                                 | (90,580)  |
| Deferred tax not recognised  | (3,830)                                   | 2,662   |
| Unrelieved loss on foreign subsidiaries  | 111,620                                   | 102,733   |
| Other differences leading to a decrease in the tax charge  | (1,008)                                   | -   |
| <b>Total tax charge for the year/period</b>  | <b>118,270</b>                            | <b>201,504</b>                                    |

**Factors that may affect future tax charges**

Subsequent to the reporting date, it was announced in the Budget on 3 March 2021 the rate of corporation tax would be increased to 25% with effect from 1 April 2023. Legislation is intended to be included in the Finance Bill 2021 to effect this change.

**14. Dividends**

|                                   | Year ended<br>31<br>December<br>2020<br>£ | Period<br>ended 31<br>December<br>2019<br>£ |
|-----------------------------------|---|---|
| Dividends paid on ordinary shares | 8,238,539                                 | 779,175                                     |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**15. Intangible fixed assets**

**Group and Company**

|                       | <b>Software<br/>£</b> |
|-----------------------|-----------------------|
| <b>Cost</b>           |                       |
| Additions             | 60,214                |
| At 31 December 2020   | <u>60,214</u>         |
| <b>Net book value</b> |                       |
| At 31 December 2020   | <u>60,214</u>         |
| At 31 December 2019   | <u>-</u>              |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

16. Tangible fixed assets

Group

|                                     | Fixtures & fittings<br>£ | Office equipment<br>£ | Other fixed assets<br>£ | Total<br>£ |
|-------------------------------------|--------------------------|-----------------------|-------------------------|------------|
| <b>Cost</b>                         |                          |                       |                         |            |
| At 1 January 2020                   | 92,531                   | 99,881                | 12,717                  | 205,129    |
| Additions                           | -                        | 20,722                | -                       | 20,722     |
| Disposals                           | (44,422)                 | (4,428)               | (12,717)                | (61,567)   |
| At 31 December 2020                 | 48,109                   | 116,175               | -                       | 164,284    |
| <b>Depreciation</b>                 |                          |                       |                         |            |
| At 1 January 2020                   | 89,471                   | 92,483                | 9,322                   | 191,276    |
| Charge for the year on owned assets | -                        | 3,571                 | -                       | 3,571      |
| Disposals                           | (41,362)                 | (503)                 | (9,322)                 | (51,187)   |
| At 31 December 2020                 | 48,109                   | 95,551                | -                       | 143,660    |
| <b>Net book value</b>               |                          |                       |                         |            |
| At 31 December 2020                 | -                        | 20,624                | -                       | 20,624     |
| At 31 December 2019                 | 3,060                    | 7,398                 | 3,395                   | 13,853     |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

16. Tangible fixed assets (continued)

Company

|                                     | Fixtures & fittings<br>£ | Office equipment<br>£ | Total<br>£     |
|-------------------------------------|--------------------------|-----------------------|----------------|
| <b>Cost</b>                         |                          |                       |                |
| At 1 January 2020                   | 48,109                   | 95,453                | 143,562        |
| Additions                           | -                        | 20,722                | 20,722         |
| At 31 December 2020                 | <u>48,109</u>            | <u>116,175</u>        | <u>164,284</u> |
| <b>Depreciation</b>                 |                          |                       |                |
| At 1 January 2020                   | 48,109                   | 91,980                | 140,089        |
| Charge for the year on owned assets | -                        | 3,571                 | 3,571          |
| At 31 December 2020                 | <u>48,109</u>            | <u>95,551</u>         | <u>143,660</u> |
| <b>Net book value</b>               |                          |                       |                |
| At 31 December 2020                 | <u>-</u>                 | <u>20,624</u>         | <u>20,624</u>  |
| At 31 December 2019                 | <u>-</u>                 | <u>3,473</u>          | <u>3,473</u>   |

17. Fixed asset investments

Group

|                     | Unlisted investments<br>£ |
|---------------------|---------------------------|
| <b>Cost</b>         |                           |
| At 1 January 2020   | 5,000                     |
| At 31 December 2020 | <u>5,000</u>              |

**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Fixed asset investments (continued)****Company**

|                     | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£</b> | <b>Unlisted<br/>investments<br/>£</b> | <b>Total<br/>£</b> |
|---------------------|--|---------------------------------------|--------------------|
| <b>Cost</b>         |  |                                       |                    |
| At 1 January 2020   | 2  | 5,000                                 | 5,002              |
| At 31 December 2020 | <u>2</u>   | <u>5,000</u>                          | <u>5,002</u>       |

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| <b>Name</b>                    | <b>Registered office</b>  | <b>Class of<br/>shares</b> | <b>Holding</b> |
|--------------------------------|---|----------------------------|----------------|
| Daxtra Technologies Inc        | 3310 West Clay Street,<br>Richmond, VA 23230,<br>USA                  | Ordinary                   | 100%           |
| H R Information Ltd            | Regent House, 316<br>Beulah Hill, London<br>SE19 3HF, UK              | Ordinary                   | 100%           |
| Daxtra Corporation             | 2120 University Avenue,<br>Berkley, California,<br>94704, USA         | Ordinary                   | 100%           |
| Daxtra Technologies Canada Inc | Suite 203, 111 Sherwood<br>Drive, Ottawa, Ontario,<br>K1Y 3V1, Canada | Ordinary                   | 100%           |

The principal activity of the subsidiary companies is the development, licencing and ongoing support of computer software for the recruitment industry.

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18. Debtors

|  | Group<br>2020<br>£ | Group<br>2019<br>£ | Company<br>2020<br>£ | Company<br>2019<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| <b>Due after more than one year</b>            |                    |                    |                      |                      |
| Amounts owed by related undertakings (note 28) | -                  | 207,201            | -                    | 1                    |
| <b>Due within one year</b>                     |                    |                    |                      |                      |
| Trade debtors                                  | 859,743            | 967,656            | 325,293              | 530,755              |
| Amounts owed by group companies (note 28)      | -                  | -                  | 796,470              | 623,331              |
| Amounts owed by related undertakings (note 28) | 329,874            | 70,163             | 200,198              | 19,745               |
| Other debtors                                  | 297,391            | 196,845            | 41,272               | 111,757              |
| Prepayments and accrued income                 | 276,277            | 204,693            | 237,484              | 201,546              |
|  | <u>1,763,285</u>   | <u>1,646,558</u>   | <u>1,600,717</u>     | <u>1,487,135</u>     |

19. Current asset investments

|                      | Group<br>2020<br>£ | Group<br>2019<br>£ |
|----------------------|--------------------|--------------------|
| Unlisted investments | <u>1,452,868</u>   | <u>4,510,060</u>   |

The investments represent interest bearing treasury bills. The Directors believe the fair value of investments equates to cost.

20. Cash and cash equivalents

|                          | Group<br>2020<br>£ | Group<br>2019<br>£ | Company<br>2020<br>£ | Company<br>2019<br>£ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | <u>1,856,616</u>   | <u>8,403,158</u>   | <u>755,370</u>       | <u>6,170,317</u>     |

NOTES TO THE FINANCIAL STATEMENTS  
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21. Creditors: Amounts falling due within one year

|  | Group<br>2020<br>£ | Group<br>2019<br>£ | Company<br>2020<br>£ | Company<br>2019<br>£ |
|--|--------------------|--------------------|----------------------|----------------------|
| Trade creditors                                | 114,834            | 158,525            | 84,111               | 81,960               |
| Amounts owed to group companies (note 28)      | -                  | -                  | -                    | 293,002              |
| Amounts owed to related undertakings (note 28) | 2,436,878          | 2,894,599          | 580,092              | 11,515               |
| Corporation tax                                | 105,449            | 208,808            | 51,732               | -                    |
| Other taxation and social security             | 72,534             | 211,896            | 55,466               | 189,933              |
| Other creditors                                | 563,657            | 455,704            | 206,122              | 347,709              |
| Accruals and deferred income                   | 1,096,037          | 2,337,895          | 424,371              | 736,590              |
|  | <u>4,389,389</u>   | <u>6,267,427</u>   | <u>1,401,894</u>     | <u>1,660,709</u>     |

22. Financial instruments

|   | Group<br>2020<br>£ | Group<br>2019<br>£ | Company<br>2020<br>£ | Company<br>2019<br>£ |
|---|--------------------|--------------------|----------------------|----------------------|
| <b>Financial assets</b>   |                    |                    |                      |                      |
| Financial assets representing cash and bank                           | 1,856,616          | 8,403,158          | 755,370              | 6,170,317            |
| Financial assets that are debt instruments measured at amortised cost | 1,392,095          | 1,274,677          | 561,419              | 749,542              |
|   | <u>3,248,711</u>   | <u>9,677,835</u>   | <u>1,316,789</u>     | <u>6,919,859</u>     |
| <b>Financial liabilities</b>  |                    |                    |                      |                      |
| Financial liabilities measured at amortised cost                      | (1,774,529)        | (2,952,124)        | (1,127,202)          | (1,166,260)          |

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and prepayments and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals and deferred income.

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**23. Share capital**

|  | <b>2020</b>   | <b>2019</b>   |
|--|---------------|---------------|
|  | <b>£</b>      | <b>£</b>      |
| <b>Allotted, called up and fully paid</b>                      |               |               |
| 10,530,000 (2019 -10,530,000) Ordinary shares of £0.00001 each | 105.30        | 105.30        |
| 5,000 (2019 -5,000) A Ordinary shares of £0.00001 each         | 0.05          | 0.05          |
|  | <hr/>         | <hr/>         |
|  | <b>105.35</b> | <b>105.35</b> |
|  | <hr/> <hr/>   | <hr/> <hr/>   |

Ordinary shares have full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

A Ordinary shares have dividend and capital distribution (including on winding up) rights. They do not carry any voting rights. They do not confer any rights of redemption.

**24. Reserves**

**Share premium account**

The share premium reserve represents the amounts received in excess of nominal value for issued share capital.

**Other reserve**

The other reserve represents adjustments arising from the translation of balances brought forward in foreign currencies.

**Profit & loss account**

The profit and loss account is comprised of current and prior period profits and equity distributions.

**25. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £30,246 (2019: £35,588).

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**26. Commitments under operating leases**

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

|  | <b>Group<br/>2020<br/>£</b> | <b>Group<br/>2019<br/>£</b> | <b>Company<br/>2020<br/>£</b> | <b>Company<br/>2019<br/>£</b> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Not later than 1 year                        | 110,218                     | 93,496                      | 66,917                        | 93,496                        |
| Later than 1 year and not later than 5 years | 113,839                     | 66,917                      | -                             | 66,917                        |
|  | <u>224,057</u>              | <u>160,413</u>              | <u>66,917</u>                 | <u>160,413</u>                |

**27. Transactions with directors**

Included within other debtors is an amount of £1,050 (2019: £Nil) due from A Mikheev. This amount is unsecured and interest free.

Also included within other debtors is an amount of £56,225 (2019: £59,685) due from S Finch. This amount is unsecured and interest free.

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**28. Related party transactions**

A Mikheev and S P Finch are directors of Daxtra Technologies Inc., Infogistics Limited, HR Information Limited, Harbour Business Centres Ltd, Daxtra Corporation, Daxtra Technologies Asia Ltd, and Daxtra Technologies GmbH. S P Finch is also a director of Premium Lets Limited.

Related party balances with the parent Company included in debtors are an amount due from Harbour Business Centres Limited of £191,498 (2019: £11,514 due to) and an amount due from by Daxtra Technologies GMBH due in less than one year of £8,699 (2019: £4,453).

Related party balances with the parent company included in creditors are an amount due to Infogistics Limited of £194,554 (2019: £3,965 due from) and an amount due to Daxtra Technologies Asia Limited of £93,938 (2019: 11,327 due from).

All amounts are interest free, unsecured and have no fixed terms of repayment unless stated otherwise.

The group made no sales to related parties in the year (2019: £Nil). During the year the group incurred expenses and management charges from the following related parties: Infogistics Limited charges at group level totalled £2,083,000 (2019: £1,595,000), Harbour Business Centres Limited charges at group level totalled £509,191 (2019: £613,989), and Daxtra Technologies Asia Limited charges at group level totalled £240,000 (2019: £Nil).

The Company has taken advantage of the exemption under the terms of paragraph 33.1A of FRS102 from disclosing transactions with entities that are wholly owned by Daxtra Technologies Ltd.

Noted below are the various group balances with related parties:

|  | <b>31<br/>December<br/>2020<br/>£</b> | <b>31<br/>December<br/>2019<br/>£</b> |
|--|---------------------------------------|---------------------------------------|
| <b>Amounts due from/(to) the following entities (consolidated)</b> |                                       |                                       |
| Daxtra Technologies Asia Limited                                   | (414,262)                             | (268,255)                             |
| Harbour Business Centres Limited                                   | 191,498                               | 195,686                               |
| Infogistics Limited  | (2,012,940)                           | (2,549,117)                           |
| Daxtra Technologies GMBH   | 8,699                                 | 4,453                                 |
|  | <u>(2,227,005)</u>                    | <u>(2,617,233)</u>                    |

**29. Controlling party**

The Company has no ultimate controlling party in the opinion of the directors.