

Iress FS Limited

Registered in England and Wales
Company number: 02958430

Unaudited annual report and financial statements for the year ended 31 December 2022

The logo for iress, featuring the word "iress" in a bold, lowercase, sans-serif font.

FRIDAY



ACBNKH57

A16 08/09/2023 #130
COMPANIES HOUSE

This block contains a vertical label "FRIDAY" on the left, a barcode in the center, and a series of alphanumeric characters and a date below it. The characters are "A16", "08/09/2023", and "#130", with "COMPANIES HOUSE" centered below them.

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Corporate directory

31 December 2022

Nature of Business and Principal Activities	Iress FS Limited provides business-critical software solutions to banks, building societies, wealth managers, financial planners, life insurance companies, brokers and other financial services companies.
Directors	J Harris R Kelly J McNeill A Morgan A Walsh (resigned on 3 October 2022)
Company secretary	R Kelly
Registered Office (to 3 April 2022)	1 Kingmaker Court Warwick Technology Park Warwick CV34 6DY
Registered Office (from 4 April 2022)	Honeybourne Place Jessop Avenue Cheltenham Gloucestershire GL50 3SH
Parent company	Iress FS Group Limited
Ultimate holding company	Iress Limited (in Australia)
Auditor *	Deloitte LLP Chartered Accountants and Statutory Auditor Birmingham United Kingdom

* The auditor of the holding company in the UK Group – Iress UK Holdings Limited, and the ultimate holding company in Australia, Iress Limited. A resolution to appoint Ernst & Young LLP as auditor of the holding company will be proposed at the forthcoming Annual General Meeting.



Strategic report

For the year ended 31 December 2022

The Directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

Review of operations

Iress FS Limited ('the Company') provides software for the financial services industry. The Company's clients range from small retail to large institutional businesses. The Company's technology sits at the centre of our clients' businesses, supporting their core operations, providing essential functionality and helping them connect through their back, middle and front offices and to their clients and customers.

During the year, the business has continued with projects to deploy Iress' solutions at key clients.

During the year, as a result of a strategic review, Iress informed the ASX that it was considering a sale of the Mortgages business. On 12 April 2022, it was announced to the ASX that this business would be retained.

During the year, an in-specie dividend of £25.2 million was declared and paid to Iress FS Group Limited (2021: £37.2 million). After the year end, an in-specie dividend of £7.5 million was declared and paid to Iress FS Group Limited.

Future developments

There remains a continued focus on growth across the Group, through implementation of Iress products to new and existing customers, ultimately resulting in a recurring licence fee for the Iress software.

Key performance indicators

In order to realise its strategic aims, the Company has identified areas of particular focus and has put into place a number of Key Performance Indicators (KPIs) to measure and assess progress against them. The following indicators are calculated for the continuing operations of the Company:

	2022	2021	%
	£'000	£'000	up/(down)
Revenue	61,852	60,884	1.59%
Operating profit	7,927	10,707	(25.96%)
Profit for the year	3,761	6,558	(42.65%)
Net assets	39,560	60,992	(35.14%)

The strong positive net assets position and continued cash and profit generative nature demonstrates the resilience of the Company. Factors reducing profit when comparing 2022 to 2021 include one off costs incurred exploring the planned divestment of the Mortgages business and differences in transfer pricing. Net assets have reduced by £21.4 million despite the profit for the year due to in-specie dividends paid to Iress FS Group Limited.

Impact of war in Ukraine and Russian Sanctions

There has been no significant impact noted on the Company's performance to date. Given the predominantly domestic focus of UK clients, the Company does not expect a significant direct impact. The Company is exposed to indirect economic impacts that are harder to predict and are therefore being closely monitored.

Strategic report (continued)

For the year ended 31 December 2022

Principal risks and uncertainties

Iress FS Limited, as part of Iress Limited (The Ultimate Parent in Australia), has an active and robust corporate governance programme designed to manage strategic and tactical risks which could impact the business. Risks are clearly identified and monitored on a regular basis.

Although resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely certain that such procedures will be effective in preventing fraud.

The key risks and uncertainties currently facing the Company relate to managing competitor and operational risk effectively.

Risk	Nature of risk	Mitigation
Information security, including cyber-attacks	Iress may be exposed to an event or events which may result in Iress' or Iress client's information being unavailable, lost, stolen, copied or otherwise compromised with adverse consequences for the business. Our information security risks remain heightened due to the growing sophistication and increased frequency of cyber attacks across the industry.	<p>As the nature of cyber crime is constantly evolving, Iress continues to invest in a wide range of information security protection and preventative measures in response to the increasing threats presented by cyberattacks and cyber terrorists.</p> <p>Information security risk is overseen by a dedicated global information security function, led by the Chief Information Security Officer, who is responsible for ensuring appropriate systems and processes are in place inline with our information security strategy, while maintaining strong alignment with industry information security and cyber risk frameworks.</p> <p>Executive-level oversight is provided via the Executive Risk Committee, while material information security risks and issues are escalated to the Board Audit & Risk Committee for oversight and action.</p> <p>Iress' Global Information Security Management System (ISMS) is certified by independent audit to meet the global ISO 27001 standard.</p>
External operating environment	Changes to the external operating environment, including macroeconomic factors such as inflation and interest rates as well as geopolitical factors, may negatively impact client demand and the cost of providing Iress' products.	<p>Iress has a diversified geographic presence and varied product and customer portfolio, which has a high portion of recurring revenues.</p> <p>There is also active monitoring of the impact of changes in the external operating environment on the business, including people, customers, financial performance and financial position.</p>
Foreign exchange	Due to its international operations, Iress may be exposed to foreign exchange movements, which may affect the value of profits repatriated to Australia.	Iress mitigates foreign exchange risk associated with its international operations by funding these investments in the local currency. Foreign currency transaction risks can be hedged, where appropriate. Iress does not hedge translation risk on foreign currency earnings. However, Iress reports the financial performance of its offshore operations in both local currency and in AUD, to enable investors to better understand the performance of the underlying business.
Legal or regulatory change	<p>Iress' business could be adversely affected by changes to the law, regulation, policy or regulatory expectations. Over time, these types of changes may result in market consolidation or fragmentation, both of which may negatively impact Iress' business, prospects and financial performance.</p> <p>Responding to regulatory change may also result in Iress incurring substantial cost, as significant management attention and resources may be required to modify existing processes, or implement new processes to comply with such changes.</p>	As a licensed financial services business, Iress' dedicated risk and compliance team oversees management of regulatory requirements and implementation of regulatory change, while continuing to closely monitor regulatory developments globally and remain proactively engaged with relevant regulatory bodies and policy makers across the jurisdictions in which we operate.
Technology change or failure of critical systems	<p>A pronounced shift in technology, or in the way market segments organise themselves and make use of Iress' technology, may adversely impact our business.</p> <p>At the same time, a critical technology system or process failure, whether by environmental disruption, error or mischief, may cause significant adverse impact to Iress and Iress' clients.</p>	<p>Iress seeks to maintain a highly-skilled team of technology professionals, who constantly consider and test the potential utilisation or impact of emerging technologies. Mitigation of technology risk lies at the heart of Iress' technology function and software development practices, including rigour in architecture, code development and testing.</p> <p>Iress endeavours to manage market change by maintaining a high degree of engagement with its customers. Iress is fortunate that its customer base, being distributed geographically and being comprised of highly sophisticated industry representatives, is likely to be at the forefront of industry change and evolution.</p> <p>Iress' Business Continuity and Disaster Recovery Plans are tested, updated, and reviewed on an annual basis. The testing ensures that access to critical systems, including backup environments, are restored and disruption minimised.</p>

Strategic report (continued)

For the year ended 31 December 2022

Section 172

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole.

The Directors are mindful of their duty to promote the success of the Company and believe they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

The Directors consider that in addition to the Ultimate Parent company and their shareholders, the key stakeholders are the employees, customers, suppliers and community. The Directors take seriously the views of these stakeholders in setting and implementing strategy.

In carrying out this duty, they have had regards for, amongst other matters, the areas set out below.

Consequences of any decision in the long-term

The Ultimate Parent Board Members and senior management in the UK meet regularly to discuss and challenge the ongoing strategy for the business. The management team also meets regularly to challenge and deploy this strategy in the UK. Outputs from these meetings drive the context for decisions on budgets, forecasts and the five year plan to ensure alignment with the strategic direction of the business.

Ultimate Parent Company shareholders

The Company forms part of reporting to the ASX by the Ultimate Parent, Iress Limited. Investors are given access to the Ultimate Parent company CFO and CEO through investor conferences. A suite of information on the Ultimate Parent is available at <https://www.iress.com/resources/investors/>

Employees

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2005.

During the year, the policy of providing employees with information, including information relating to the economic and financial factors affecting the performance of the Company, has been continued through periodic forums (led by both Ultimate Parent and Group Directors and members of both Leadership Teams) in which employees have also been encouraged to present their suggestions and views on the Company's performance.

Information is regularly shared with all employees through all internal communication channels by Directors of the Ultimate Parent and Group and senior management.

The Board engages employees through an annual Pulse employee survey to ensure the Company's values are understood and promoted.

The business runs a hackathon event annually to allow employees from across the business to put forward new ideas for the business and then develop them into functioning software by the end of the event.

All employees are incentivised by a profit share in the event of Iress Limited meeting its profit objectives for each financial year and have an opportunity to participate in a Share Incentive Plan.

Quarterly "One Iress" awards are granted to employees nominated by their peers for making a significant contribution to the business.

In 2022 the "Long Weekend" scheme was introduced, allowing all employees to have six extra days off per year, on a Monday or Friday.

The Company has a broad and diverse employee base. The Company monitors diversity under a broad definition across the general staff base and continues to observe no indicators of bias or impediments to diversity and believes Iress' diversity ratios reflect well on the Company.

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

The Ultimate Parent has partnered with the charity Talent Beyond Boundaries, who assist refugees and other displaced people in finding work internationally.

Strategic Report (continued)

For the year ended 31 December 2022

Employees (continued)

During the year the office in Leatherhead was closed and all Leatherhead based employees were transferred to remote working contracts. From the announcement of the closure, Iress entered into a collective consultation with elected employee representatives through a forum which met regularly. In this forum, Iress discussed support available to everyone impacted and responded to the feedback employees and employee representatives provided. Meeting minutes from these sessions were shared with employees and responses to all questions were published. A financial package to ease transition to remote working was also given to all affected employees.

Business relationship with customers

The Company places customers at the heart of everything we do and the Board is committed to considering the customer impact of every decision made. Our software is central to our customers' businesses and maintaining the value of the Iress brand protects the recurring revenue base.

The Directors and senior management receive regular updates regarding customer relationships including customer feedback surveys.

The Iress Community is an online community for users of Iress software. It has provided customers and users with access to help and best practice documentation as well as access to our experts and regular updates about our software and its releases.

Business relationship with suppliers

The Company is committed to treating all our suppliers fairly.

We endeavour to pay all suppliers in line with their payment terms and, where this is not possible, we take steps to minimise the impact on the supplier.

Impact on community

Since its launch, the Iress Foundation has amplified the community support and charity activities our people were already championing, including a Workplace Giving Programme called the Iress Foundation Giving Platform. The platform provides our people with a central information source of Foundation initiatives and an easy way to get involved in Foundation activities and donate to Foundation causes. Its comprehensive analytics and reporting provide us with a deeper understanding of how our people get involved and which causes matter to them the most.

The Company has a long standing tradition of investing in local communities including programmes to support local charities and their initiatives.

Through the Iress Matching Initiative, where the Company matches monies raised for charities, we support people at Iress who want to focus on causes that are close to their hearts.

We give eligible members of our team three days of Iress Foundation Leave each year to help them give back to Iress Foundation supported charitable organisations.

Impact on environment

Iress is an office-based technology company, so the impact on the environment is driven by energy use in the offices, domestic travel to clients and international travel to Australia, South Africa, Canada and France where other Iress offices are based. Details of UK emissions and energy consumption are disclosed in the consolidated accounts of Iress UK Holdings Limited.

Approved by the Directors and signed on behalf of the Board by:



A Morgan
Director
Cheltenham
6 September 2023

Directors' report

for the year ended 31 December 2022

The Directors of Iress FS Limited submit the annual financial statements for the year ended 31 December 2022.

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Directors and Company Secretary	Corporate Directory	2
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Review of operations	Strategic report	3
Dividends	Strategic report	3
Events subsequent to the Statement of Financial Position date	Note 12	27
Future developments	Strategic Report	3
Engagement with employees	Strategic Report	5,6
Political contributions	None	
Regard for fostering relationships with suppliers, customers & others	Strategic Report	6

Directors' indemnities

The Group made qualifying third-party indemnity provisions during the year and they remain in force at the date of this report. The third-party indemnity provisions were for the benefit of the Directors of the Group, its subsidiaries, the Ultimate Parent and fellow subsidiaries.

Going concern

The Directors of the Company maintain a cash flow forecast for a year beyond the date of authorising these financial statements. This cash flow forecast has been sensitised to allow for unexpected revenue delays and this indicates that there are no reasonably plausible downside scenarios resulting in the Company having insufficient cash reserves to meet its obligations as they fall due for at least a year from the date of signing these financial statements.

In the remote event that funding is required, the Directors of the Ultimate Parent have provided a letter of support to the Company and its subsidiaries which states that the Ultimate Parent:

- continues to support and provide additional finance to the Company for at least a year from the signing date of the financial statements; and
- will not demand payment of loans until such time as the subsidiary is able to repay such amounts without detriment to its operation as a going concern.

Following reasonable enquiries, the Directors of the Company have an expectation that the Ultimate Parent has access to adequate resources to continue in operational existence for the foreseeable future. As part of their comprehensive assessment of whether the Ultimate Parent is a going concern, the Directors have reviewed the Ultimate Parent's cash flow and solvency forecasts for at least a year from the date of authorising the financial statements and confirmed that the Ultimate Parent is both cash generative and able to raise funds via debt and equity to fund operations and acquisitions.

Directors' report (continued)

For the year ended 31 December 2022

Events subsequent to the Statement of Financial Position date

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations the state of affairs of the Company in future financial years.

Approved by the Directors and signed on behalf of the Board by:



A Morgan
Director
Cheltenham
6 September 2023

Directors' responsibilities statement

For the year ended 31 December 2022

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with international accounting standards in conformity with requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. The Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing the Company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Turnover	2.1	61,852	60,884
Communication and other technology expenses		(4,391)	(3,832)
Customer data fees		(3,948)	(3,574)
Employee benefits expense	2.1	(35,758)	(34,049)
Depreciation and amortisation expense	2.1	(3,527)	(4,390)
Net unrealised gains/(losses)		7	(388)
Other operating income		453	940
Other operating expenses	2.1	(6,761)	(4,884)
Operating profit		7,927	10,707
Interest income		86	462
Interest expense		(341)	(571)
Profit before income tax expense		7,672	10,598
Tax expense on profit from ordinary activities	3	(3,911)	(4,040)
Profit for the year		3,761	6,558

The above profit and loss account should be read in conjunction with the accompanying notes.

The Company has no recognised gains or losses other than the loss for the current year and prior period, which arose solely from continuing operations. Accordingly, a statement of other comprehensive income has not been prepared.

Statement of Financial Position

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
ASSETS			
Current assets			
Cash at bank and in hand		2,642	3,568
Trade and other receivables	8(a)	6,365	7,803
Current tax receivables		6	52
Trade receivables from related parties	8(a)	30,457	138,863
Total current assets		39,470	150,286
Non-current assets			
Intangible assets	4	1,857	1,465
Tangible fixed assets	5	3,299	4,653
Right-of-use assets	6(a)	11,158	14,480
Investments in subsidiaries	7	51,441	51,441
Deferred tax assets	3(c)	1,966	1,778
Total non-current assets		69,721	73,817
Total assets		109,191	224,103
LIABILITIES			
Current liabilities			
Trade and other payables	8(b)	(7,673)	(7,700)
Trade payables due to related parties	8(b)	(41,285)	(134,484)
Provisions	11	(884)	(1,167)
Lease liability	6(b)	(2,112)	(2,170)
Current tax payables	8(b)	(6,000)	(2,208)
Total current liabilities		(57,954)	(147,729)
Non-current liabilities			
Lease liability	6(b)	(11,677)	(15,382)
Total non-current liabilities		(11,677)	(15,382)
Total liabilities		(69,631)	(163,111)
Net assets		39,560	60,992
EQUITY			
Share capital	9	-	-
Profit and loss account		39,560	60,992
Total equity		39,560	60,992

The above statement of financial position should be read in conjunction with the accompanying notes.

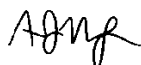
The Company is entitled to exemption from audit under Section 479a of the Companies Act 2006 for the year ended 31 December 2022 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements of Iress FS Limited (registered number 02958430) on pages 10 to 27 were approved for issue by the Board of Directors on 6 September 2023.

Signed on behalf of the Board of Directors by



A Morgan
Director
Cheltenham
6 September 2023

Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital ⁽¹⁾	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 January 2021	-	91,676	91,676
Profit for the year, representing total comprehensive income for the year	-	6,558	6,558
Total comprehensive income for the year	-	6,558	6,558
In-specie dividends declared and paid	-	(37,242)	(37,242)
Balance at 31 December 2021	-	60,992	60,992

	Share capital ⁽¹⁾	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 January 2022	-	60,992	60,992
Profit for the year, representing total comprehensive income for the year	-	3,761	3,761
Total comprehensive income for the year	-	64,753	3,761
In-specie dividends declared and paid	-	(25,193)	(25,193)
Balance at 31 December 2022	-	39,560	39,560

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

Company information

Iress FS Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Corporate Directory on page 2 and Strategic and Directors' Report on pages 3 to 8.

These unaudited financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates and are rounded to the nearest £'000.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements as it is included in the group financial statements of Iress UK Holdings Ltd and Iress Limited which are publicly available.

Copies of the Iress UK Holding Ltd consolidated financial statements may be obtained from Companies House.

Copies of the Iress Limited consolidated financial statements may be obtained from the Company Secretary, Iress Limited, Level 18, 385 Bourke Street, Melbourne VIC 3000.

In the opinion of the Directors, the ultimate controlling party is Iress Limited.

(a) Accounting convention

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council ("FRC"). These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the FRC.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where relevant, equivalent disclosures have been given in the group financial statements of Iress Limited which are available to the public and can be obtained from the address in Company Information above.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. The principal accounting policies adopted are set out below.

(b) Revenue

Revenue is generated mostly from UK customers. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The Group's revenue mainly arises from services rendered or access to software.

Licence revenue from a contract to provide access to use of the software is recognised once access is granted and spread over the licence period.

Revenue from a contract to provide services is recognised by reference to the performance obligation of the contract.

The performance obligation of the contract is determined as follows:

- installation fees are recognised by reference to the performance obligation of the installation, determined as the proportion of the total time expected to install that has elapsed at the Statement of Financial Position date;
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses incurred.

Interest income is accrued on a time proportion basis by reference to the principal balance outstanding and the interest rate applicable.

Notes to the financial statements (continued)

For the year ended 31 December 2022

(c) Cash and cash equivalents

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

(d) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Company to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. If in the future such estimates and assumptions, which are based on the Directors' best judgement at the date of preparation of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. The areas where a higher degree of judgement or complexity arises are revenue recognition on long-term contracts, and recognition and measurement of deferred tax.

2.1 Operating profit

Included in profit before interest and taxation are the following items:

	2022	2021
	£'000	£'000
Revenue		
Information revenue	55,633	54,167
Royalty revenue	1,505	1,308
Non-recurring revenue	4,714	5,409
Total revenue	61,852	60,884
Employee benefit expenses		
Employee benefits expense	(27,369)	(26,793)
Pension expense	(3,959)	(3,803)
Termination benefits	(102)	1
Other employee benefits	(1,419)	(855)
Share-based payment expense	(2,909)	(2,599)
Total employee benefit expenses	(35,758)	(34,049)
Depreciation and amortisation expense		
	Notes	
Amortisation - intangible assets	4(a)	(215)
Depreciation - plant and equipment	5(a)	(1,592)
Depreciation - right-of-use assets	6(b)	(1,720)
Total depreciation and amortisation expense		(3,527)

Notes to the financial statements (continued)

For the year ended 31 December 2022

2.1 Operating profit (continued)

	2022	2021
	£'000	£'000
Other Income	-	403
Management fees from related parties	453	537
Total other operating income	453	940

	2022	2021
	£'000	£'000
Audit fees	(155)	(119)
Professional services	(254)	(306)
Legal services	(96)	(106)
Venue hire	(3)	(2)
Equipment rental	(9)	(5)
Office utilities	(1,438)	(1,580)
Trade debtors written off	(20)	(87)
Doubtful debts reversal	10	131
Release/(recognition) of onerous loss provision	282	(1,167)
Marketing services	(790)	(522)
Communication expenses	(79)	(86)
Technology expenses	(3,327)	(2,819)
Restructuring expenses	(720)	(169)
Loss on the disposal of plant and equipment	(329)	(98)
Gain on ROUA de-recognition	42	-
Impairment of leases	-	(1,832)
Inter-company income	3,760	5,302
Other expenses including administration expenses	(2,444)	(1,419)
Total other operating expenses	(6,761)	(4,884)

Audit fees are payable for the audit of the UK consolidated financial statements, Iress UK Holdings Limited.

2.2 Employees

	2022	2021
	£'000	£'000
Average number of employees	684	709

Notes to the financial statements (continued)

For the year ended 31 December 2022

2.3 Director and KMP remuneration disclosures

The directors of the Company are detailed below:

Directors	Paid by Ultimate Parent	Paid by Company
J Harris	✓	
R Kelly		✓
J McNeill		✓
A Morgan		✓
A Walsh (resigned 3 October 2022)	✓	

In 2022, the Key Management Personnel (KMP) remuneration disclosures include the 3 directors paid by the Company and S New, KMP of the Company.

The following table provides details of remuneration paid to KMPs by the Company, being these 4 individuals (2021: 4 individuals):

	2022	2021
	£'000	£'000
Short-term employee benefits	(893)	(1,024)
Post-employment benefits ⁽¹⁾	(52)	(63)
Other employee benefits ⁽²⁾	(3,634)	(830)
	(4,579)	(1,917)

The remuneration paid to the 3 directors by the Company while directors of the Company, is as follows:

	2022	2021
	£'000	£'000
Short-term employee benefits	(560)	(545)
Post-employment benefits ⁽¹⁾	(36)	(35)
Other employee benefits ⁽²⁾	(1,655)	(288)
	(2,251)	(868)

⁽¹⁾ This comprises of contributions to defined contribution plans

⁽²⁾ This comprises employment cost recharges from the Ultimate Parent

In 2022, 3 directors paid by the Group exercised share options (2021: 3 directors) and 3 directors accrued share options (2021: 3 directors).

3 directors paid by the Group are members of defined contribution pension schemes (2021: 3 directors).

Aggregate remuneration of the highest paid director was £1.640 million (2021: £0.500 million), including £1.379 million of receivable shares (2021: £0.235 million). The highest paid director exercised share options in the year with a value of £0.161 million (2021: £0.568 million).

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Taxation

Total corporation tax expense or benefit comprises current and deferred tax recognised in the income statement in the period.

Current tax

Current tax comprises expected tax payable/receivable on the entity's taxable income/loss which is recognised in the Statement of Profit or Loss in the current year, as well as any adjustments to tax payable/receivable recognised in the current year which relate to taxable income/loss recognised in the Statement of Profit or Loss in prior years.

Current tax is measured using the applicable income tax rates which are enacted, or substantively enacted, at the reporting date.

Deferred tax

Deferred tax represents the movements in deferred tax assets and liabilities which have been recognised in the year and which are attributable to amounts recognised in the Statement of Profit or Loss in the current year, as well as amounts recognised in the Statement of Profit or Loss in prior years. Deferred tax assets and liabilities are attributable to temporary differences between the carrying amount of assets and liabilities recognised for financial reporting purposes and the tax base of assets and liabilities recognised for tax purposes.

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent it is probable that future taxable profits will be available against which they can be realised. Future taxable profits are projected using the 5 year annual operating plan approved by the Iress Group board.

Deferred tax liabilities are recognised for all assessable temporary differences as required by accounting standards.

Deferred tax is determined using tax rates which are expected to apply when the deferred tax asset/liability is expected to be realised/settled based on laws which have been enacted or substantively enacted at the reporting date. The measurement of deferred tax also reflects the tax consequences flowing from the manner in which the entity expects, at the reporting date, to realise or settle the carrying amount of its assets and liabilities.

Critical accounting judgements with respect to deferred tax balances:

The recognition and measurement of deferred tax requires the application of judgement in assessing the amount, timing and probability of future taxable profits and repatriation of retained earnings. These factors affect the determination of the appropriate rates of tax to apply and the recoverability of deferred tax assets. These judgements are influenced, inter alia, by factors such as estimates of future revenue, operating costs, future capital expenditure, and dividend policies.

(a) The Company's tax expense or benefit is as follows:

	2022	2021
	£'000	£'000
Corporation tax expense in the profit and loss		
Current tax		
Current tax charge	3,972	3,882
Adjustments in respect of current tax of the previous year	127	246
Deferred tax		
Origination and reversal of temporary differences	(158)	(120)
Adjustments in respect of deferred tax of the previous year	(30)	32
Corporation tax expense attributable to profit from continuing operations	3,911	4,040

(b) Numerical reconciliation of income tax expense to prima facie tax payable:

Corporation tax is calculated at 19.0 per cent (2021: 19.0 per cent) of the estimated taxable profit for the year.

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Taxation (continued)

(b) Numerical reconciliation of income tax expense to prima facie tax payable (continued):

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2022	2021
	£'000	£'000
Profit from continuing operations before corporation tax expense	7,672	10,598
Tax at the statutory tax rate of 19.00% (2021: 19.00%)	1,458	2,014
Tax effect of amounts which are not deductible (taxable) in calculating taxable profit:		
Tax effect of non-assessable income and non-deductible expenses	153	9
Tax effect of group relief received for nil payment	2,169	2,014
Employee share plan	99	(106)
Other	(65)	(169)
Adjustments for deferred tax of prior periods	(30)	32
Adjustments for current tax of prior periods	127	246
Corporation tax expense	3,911	4,040

(c) Deferred tax balances comprise of:

For the year ended	Opening balance	Charged to income	Closing balance
	£'000	£'000	£'000
31 December 2021			
Plant and equipment	569	226	795
Computer software	-	(76)	(76)
Receivables and other assets	38	(26)	12
Trade and other payables	64	-	64
Share based payments	963	20	983
Carry forward tax losses	56	(56)	-
Total net deferred tax assets	1,690	88	1,778

For the year ended	Opening balance	Charged to income	Closing balance
	£'000	£'000	£'000
31 December 2022			
Plant and equipment	795	83	878
Computer software	(76)	76	-
Receivables and other assets	12	2	14
Trade and other payables	64	26	90
Share based payments	983	1	984
Total net deferred tax assets	1,778	188	1,966

The Company has recognised a deferred tax asset of £Nil (2021:£Nil) in relation to tax losses as at the balance sheet date. This deferred tax asset arose as a result of tax losses generated by the Company in the past which were available for offset against future taxable profits of the Company. As the Company's relevant taxable profits are expected to exceed the remaining tax loss available, the deferred tax asset has reduced to nil.

(d) Factors which may affect future taxation:

On 3 March 2021, the Chancellor of the Exchequer delivered his Budget Statement. The measures announced included an increase in the standard rate of corporation tax from 19% to 25% with effect from 1 April 2023, and this was substantively enacted on 24 May 2021. We have reflected the impact of this change with respect to the deferred tax balances above, taking into consideration the likely timing of the reversals of deferred tax assets and liabilities. The Group expects its effective tax rate in the future to be affected by the impact of changes in tax law.

Notes to the financial statements (continued)

For the year ended 31 December 2022

4. Intangible assets

Intangible assets comprise computer software and capitalised development costs. Additions are included at cost and are amortised only when ready for use. Software and capitalised development costs are amortised evenly over their estimated economic life between 3-10 years

The carrying values of intangible assets are reviewed for impairment wherever circumstances indicate that the carrying value of such assets may not be recoverable.

Software development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of development are charged to the profit and loss account as incurred.

The carrying value of intangible assets is presented below:

	Computer software £'000	Development costs capitalised £'000	Total £'000
At 31 December 2021			
Cost	5,482	893	6,375
Accumulated depreciation	(4,910)	-	(4,910)
Carrying amount	572	893	1,465
Movement for the year			
Balance at 1 January 2021	849	-	849
Additions	64	893	957
Amortisation expense	(341)	-	(341)
Balance at 31 December 2021	572	893	1,465

	Computer software £'000	Development costs capitalised £'000	Total £'000
At 31 December 2022			
Cost	4,833	1,855	6,688
Accumulated depreciation	(4,831)	-	(4,831)
Carrying amount	2	1,855	1,857
Movement for the year			
Balance at 1 January 2022	572	893	1,465
Additions	-	1,858	1,858
Disposals	(649)	(896)	(1,545)
Amortisation expense	(215)	-	(215)
Amortisation eliminated on disposal	294	-	294
Balance at 31 December 2022	2	1,855	1,857

Notes to the financial statements (continued)

For the year ended 31 December 2022

5. Tangible fixed assets

Tangible fixed assets comprise computer equipment, furniture and fixtures, office equipment and leasehold improvements. Additions are included at cost and are depreciated only when ready for use. Assets are depreciated evenly over their estimated economic life as follows:

- Computer equipment 3-5 years
- Furniture and fixtures 3-5 years
- Office equipment 3-5 years
- Leasehold improvements 3-5 years

The carrying values of fixed assets are reviewed for impairment wherever circumstances indicate that the carrying value of such assets may not be recoverable.

The carrying value of fixed assets is presented below:

	Computer equipment £'000	Furniture & fixtures £'000	Leasehold improvements £'000	Office equipment £'000	Total £'000
At 31 December 2021					
Cost	5,100	1,485	2,723	11	9,319
Accumulated depreciation	(3,584)	(393)	(685)	(4)	(4,666)
Carrying amount	1,516	1,092	2,038	7	4,653
Movement for the year					
Balance at 1 January 2021	1,892	1,429	2,432	13	5,766
Additions	692	21	164	21	898
Disposals	(8)	(39)	(31)	(20)	(98)
Depreciation expense	(1,060)	(319)	(527)	(7)	(1,913)
Balance at 31 December 2021	1,516	1,092	2,038	7	4,653

	Computer equipment £'000	Furniture & fixtures £'000	Leasehold improvements £'000	Office equipment £'000	Total £'000
At 31 December 2022					
Cost	5,543	1,377	2,342	11	9,273
Accumulated depreciation	(4,352)	(624)	(992)	(6)	(5,974)
Carrying amount	1,191	753	1,350	5	3,299
Movement for the year					
Balance at 1 January 2022	1,516	1,092	2,038	7	4,653
Additions	443	27	98	-	568
Disposals	-	(135)	(479)	-	(614)
Depreciation expense	(768)	(293)	(529)	(2)	(1,592)
Depreciation eliminated on disposal	-	62	222	-	284
Balance at 31 December 2022	1,191	753	1,350	5	3,299

Notes to the financial statements (continued)

For the year ended 31 December 2022

6. Leases

The Company leases real estate in the ordinary course of its business. The Company's real estate leases comprise office building leases in the United Kingdom in which the Group operates. The non-cancellable period of these leases range from 5 to 10 years.

All leases have a 5 year break clause.

(i) Company as a lessee

Right-of-use asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office and information technology equipment that have a lease term of 12 months or less or for leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The Company's average incremental borrowing rate used is 1.95%.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- payment of penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is presented as a separate line in the Statement of Financial Position.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company did not make any such adjustments during the periods presented.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of office and information technology equipment that have a lease term of 12 months or less or for leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the financial statements (continued)

For the year ended 31 December 2022

6. Leases (continued)

(a) Carrying value of right-of-use assets

The Company's right-of-use assets comprise real estate leases. Right-of-use assets have finite lives and are carried at cost less accumulated depreciation. During the year one of the offices was closed and the right-of-use asset was fully impaired.

The carrying value of right-of-use assets is presented below:

	2022	2021
	£'000	£'000
Balance at end of the year		
Cost	17,693	20,629
Accumulated depreciation	(6,535)	(6,149)
Carrying value	11,158	14,480
Movement for the year		
Balance at the beginning of the year	14,480	18,449
Right-of-use assets impaired	-	(1,833)
Disposal of leases from early termination	(2,936)	-
Disposal of right-of-use accumulated depreciation from early termination	1,334	-
Depreciation	(1,720)	(2,136)
Balance at the end of the year	11,158	14,480
Expected useful life (years)	6 to 10	6 to 10

(b) Lease liabilities

(i) Lease liabilities included in the statement of financial position at the end of the period:

	Notes	2022	2021
		£'000	£'000
Current		(2,112)	(2,170)
Non-current		(11,677)	(15,382)
Total		(13,789)	(17,552)

(ii) Reconciliation of the movement of the lease liabilities:

	2022	2021
	£'000	£'000
Opening carrying value	(17,552)	(19,394)
Leased liabilities reversed from early termination of lease contracts	1,644	-
Settlement of lease liabilities	2,119	1,842
Closing carrying value	(13,789)	(17,552)

(iii) Maturity analysis - contractual undiscounted cash flows:

	2022	2021
	£'000	£'000
Less than one year	2,348	2,498
More than one year and not more than five years	8,339	9,968
More than five years	3,927	4,099
Total undiscounted lease liabilities at the end of the year	14,614	16,565

At 31 December 2022 and 31 December 2021, the Company was not committed to any short-term leases.

Notes to the financial statements (continued)

For the year ended 31 December 2022

7. Investment in subsidiaries

Investment in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment and are reviewed for impairment wherever circumstances indicate that the carrying value of the investment may not be recoverable.

(a) The movement in investment in subsidiaries is as follows:

	2022	2021
	£'000	£'000
At the end of the year		
Cost	51,441	51,441
Carrying amount	51,441	51,441
Movement for the year		
Balance at the beginning of the year	51,441	51,441
Balance at the end of the year	51,441	51,441

(b) Investment in subsidiaries comprise:

Subsidiary undertakings	Country of incorporation	2022	2021
		% Holding	% Holding
Directly held			
Iress Mortgage Services Limited ⁽¹⁾	England and Wales	100	100
Iress Portal Limited ⁽²⁾	England and Wales	100	100
Iress Solutions Limited ⁽³⁾	England and Wales	100	100
Iress Technology Limited ⁽⁴⁾	England and Wales	100	100
Iress Web Limited ⁽⁵⁾	England and Wales	100	100
O&M Life & Pensions Limited ⁽⁶⁾⁽¹²⁾⁽¹³⁾	England and Wales	100	100
O&M Systems Limited ⁽⁷⁾⁽¹²⁾	England and Wales	100	100
Proquote Limited ⁽⁸⁾	England and Wales	100	100
Pulse Software Systems Limited ⁽⁹⁾	England and Wales	100	100
Indirectly held			
Pulse Software Management Limited ⁽¹⁰⁾	England and Wales	100	100
TrigoldCrystal Limited ⁽¹¹⁾	England and Wales	100	100

⁽¹⁾ Iress Mortgage Services Limited is a non-trading dormant company.

⁽²⁾ Iress Portal Limited comprises an online comparison market place (Exchange Portal) that facilitates product quotes and subsequent transactions between buyers (distributors) and sellers (providers) of financial products.

⁽³⁾ Iress Solutions Limited is a non-trading dormant company.

⁽⁴⁾ Iress Technology Limited is a non-trading dormant company.

⁽⁵⁾ Iress Web Limited is a non-trading dormant company.

⁽⁶⁾ O&M Life & Pensions Limited provides solutions for advisers involved in pension and investment planning.

⁽⁷⁾ O&M Systems Limited is the holding company of O&M Life & Pensions Limited.

⁽⁸⁾ Proquote Limited provides professional financial data and trading systems and the distribution of financial market data.

⁽⁹⁾ Pulse Software Systems Limited is a non-trading dormant company.

⁽¹⁰⁾ Pulse Software Management Limited is a non-trading dormant company.

⁽¹¹⁾ TrigoldCrystal Limited is a non-trading dormant company.

⁽¹²⁾ O&M Life & Pensions Limited, a UK registered company which provides solutions for advisers involved in pension and investment planning.

⁽¹³⁾ O&M Systems Limited holds 100% of the share capital of O&M Life & Pensions Limited.

Notes to the financial statements (continued)

For the year ended 31 December 2022

8. Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and liabilities are classified into the following categories:

- Loans and receivables – subsequently measured at amortised cost
- Other financial liabilities – subsequently measured at amortised cost

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(a) Trade and other receivables

	2022	2021
	£'000	£'000
Amounts falling within one year:		
Trade receivables	2,129	3,268
Allowance for doubtful debts	(60)	(70)
Unbilled income	2,411	2,669
Prepayments	1,803	1,768
Other assets	82	168
Total trade receivables falling within one year	6,365	7,803
	2022	2021
	£'000	£'000
Trade receivables from related parties		
Trade receivables with Iress Data Pty Ltd	-	23
Trade receivables with Iress Limited	23	9,593
Trade receivables with Iress MD RSA (Proprietary) Limited	-	15
Trade receivables with O&M Life & Pensions Limited	1,236	2,536
Trade receivables with Proquote Limited	5,222	33,151
Trade receivables with Iress SAS	6	38
Trade receivables with QuantHouse UK Limited	-	109
Trade receivables with Iress UK Holdings Ltd	5,716	89
Trade receivables with Iress FS Group Limited	1,385	3,440
Trade receivables with Iress (UK) Limited	5,992	5,990
Trade receivables with Iress Portal Limited	10,842	83,874
Trade receivables with Iress Wealth Management Pty Ltd	35	5
Total receivables from related parties	30,457	138,863
Total receivables and other assets	36,822	146,666

The carrying amount of trade and other receivables approximates their fair value, and the Company has no material exposure to credit risk.

Trade receivables from related parties are due on demand and no amounts are considered past due or impaired.

Notes to the financial statements (continued)
For the year ended 31 December 2022

8. Financial instruments (continued)

(b) Trade and other payables

	2022	2021
	£'000	£'000
Amounts falling due within one year:		
Trade payable	(2,061)	(980)
Trade payable other	(80)	(618)
Audit fees accrual	(89)	(78)
Tax fees accrual	(74)	(88)
Accrued expenses	(435)	(1,203)
Deferred revenue	(2,426)	(2,315)
Employee liabilities	(2,054)	(2,069)
VAT payable	(454)	(349)
Current tax payables	(6,000)	(2,204)
Lease liability	(2,112)	(2,170)
Withholding taxes	-	(4)
Provision for onerous losses	(884)	(1,167)
Total payables falling due within one year	(16,669)	(13,245)
Amounts falling due after more than one year:		
Non-current lease liability on property	(11,677)	(15,382)
Total payables falling due after more than one year	(11,677)	(15,382)
Amounts due to group undertakings		
Related party trade payables to Iress Data Pty Ltd	(7)	(20)
Related party trade payables to Iress Limited	(1,520)	(492)
Related party trade payables to Iress MD RSA (Proprietary) Limited	(8)	(16)
Related party trade payables to O&M Life & Pensions Limited	(2,412)	(3,128)
Related party trade payables to O&M Systems Limited	(75)	(75)
Related party trade payables to Pulse Software System Limited	(1)	(1)
Related party trade payables to Proquote Limited	(6,467)	(32,957)
Related party trade payables to Quanthouse UK Limited	(2)	-
Related party trade payables to Iress International Holding Pty Ltd	(2,829)	(494)
Related party trade payables to Iress FS Group Limited	(1,386)	(3,440)
Related party trade payables to Iress (UK) Limited	(9,303)	(9,300)
Related party trade payables to Iress Portal Limited	(17,275)	(84,561)
Total payables due to group undertakings	(41,285)	(134,484)
Total payables and other liabilities	(69,631)	(163,111)

Notes to the financial statements (continued)

For the year ended 31 December 2022

8. Financial instruments (continued)

The fair value of trade and other payables approximates the carrying value and interest is charged at commercial rates on the outstanding monthly balance.

Amounts due to group undertakings are payable on demand.

Liquidity is managed by having an undertaking from the parent company to support the Company to settle any undertaking with other group companies as required to ensure the Company remains solvent. Liquidity risk is proactively managed by regularly assessing working capital requirements and monitoring cash flows.

9. Share capital

	2022	2021
	£	£
Authorised, issued and fully paid:		
Ordinary shares of £1 each	1	1
Issued and fully paid:		
Ordinary shares at par value of £1 each	1	1
	1	1
Movement for the year		
Balance at the beginning of the year	1	1
Balance at the end of the year	1	1

10. Commitments

	2022	2021
	£'000	£'000
Commitments for minimum lease payments for non-cancellable operating leases are payable as follows:		
Within one year	2,366	2,498
Later than one year, no later than five years	8,412	12,054
Later than five years	3,968	4,434
	14,746	18,986

Notes to the financial statements (continued)

For the year ended 31 December 2022

11. Provisions

A provision is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past services and the obligation can be estimated reliably.

Provisions are measured at the present value of Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Onerous contracts represent the expected losses on non-cancellable property lease commitments no longer utilised by the Company. The amount provided for represents the present value of the future payments on the leases, net of expected income from sub-leasing the properties.

	2022	2021
	£	£
Current provisions		
Onerous losses provision	884	1,167
	884	1,167
	2022	2021
	£	£
Balance at the beginning of the year	1,167	-
Provision raised during the year	-	1,208
Provision utilised during the year	(240)	(41)
Balance at the end of the year	927	1,167

12. Contingent assets and liabilities

(a) Contingent liabilities

There are no material contingent liabilities that have been contracted or provided for at the reporting date (2021: £Nil).

(b) Contingent assets

There are no material contingent assets at the reporting date.

13. Going concern

The ultimate parent, Iress Limited, has confirmed it will provide financial support to the Company to ensure that it can meet all of its liabilities as they fall due for a period of at least one year following the signature date of these financial statements.

On the basis of support from the ultimate parent, the Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Directors have considered a period of at least 12 months from the date of authorising the financial statements.

14. Events subsequent to the Statement of Financial Position date

There has been no matter or circumstance which has arisen since the end of the financial year which has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent years.