

Acturis Limited

Acturis Limited

Annual report and financial statements

Registered number 03998084

30 September 2021

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Acturis Limited

Annual report and financial statements for the year ended 30 September 2021

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Acturis Limited

Directors and advisers

Directors	David McDonald Theodore Sam Duchon Anthony Peter Goddard Shailesh Bhatia Thomas Edward Walter Stuart Jim Lorimer Jeff McCracken Hayden Parra Mark Lloyd Davies
Registered number	03998084
Registered office	Courtyard Suite 100 Hatton Garden London EC1N 8NX
Independent auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

Acturis Limited

Strategic report for the year ended 30 September 2021

Principal activities

The principal activity of the Company is the provision of software as a service to the insurance industry based on the integration and hosting of proprietary and licensed software.

Business review

The directors are pleased to report a year of continued development of the Company. During the year to 30 September 2021 the Company:

- Increased revenues by 6% to £75,250k (2020: £70,914k);
- Increased operating profit by 7% to £39,325k (2020: £36,712k);

The Company is pleased to report that it had £12,992k (2020: £29,164k) of cash at bank at the financial year end and during the year recurring revenues represented over 79% (2020: 78%) of total revenue. We enter the new financial year with a robust financial position and a good pipeline of business opportunities.

Key performance indicators

Given the nature and size of the Company, the key performance indicators are the number of Acturis system users; system performance and availability; customer support performance; revenue growth and EBITDA margin. The directors are satisfied that the KPIs are in line with expectations.

Risks and uncertainties

The principal risks facing the business and the controls in place to mitigate them are as follows:

- Availability of service: A high level of system availability is critical to the success of our software as a service business model. Acturis operates its production system from a high specification third party data centre in London and has redundant networking, server and database infrastructure throughout. In addition, Acturis operates a disaster recovery site at a data centre of similar specification in Amsterdam. Failover tests of individual components of the production system are performed frequently and an annual test of the failover to the disaster recovery site is performed with the involvement of customers.
- Ongoing development of the Acturis System: Acturis has built a reputation for innovation in end-to-end straight through processing of insurance business. It is important to the continued success of the company that we continue to invest in initiatives to improve electronic processing and the efficiency of our customers. Acturis will continue to increase investment in research and development of the Acturis System.

Acturis Limited

Strategic report for the year ended 30 September 2021 (continued)

Risks and uncertainties (continued)

- Attracting and retaining talent: Acturis has built its reputation on the quality of its people and the future success of the business is dependent on being able to recruit, retain and develop new talent. Senior management spend a significant percentage of their time identifying, interviewing, recruiting and coaching young talent in all areas of our business.
- Conflict in Ukraine: the Acturis Group established a highly successful near-shore development centre in Wrocław, Poland in 2013. Although the office is located in Western Poland and the conflict is currently focused on the Eastern half of Ukraine, Poland has already been impacted by the influx of 1m refugees. As the conflict further spreads across Ukraine it is likely that the level of disruption in Poland will increase but this is unlikely to impact the operations of Acturis Poland. Acturis also has additional distributed development capacity in the UK and in South Africa.
- Economic impact from COVID-19 and high levels of inflation: Acturis now has a proven track record of being able to operate seamlessly under the restrictions that were introduced to combat COVID-19. However, as the supportive macroeconomic policies are wound down, the biggest ongoing risk from COVID-19 is that a deep and long-lasting economic recession results in widespread business insolvency, particularly among SMEs. In addition, there is the risk to the global economy from surging levels of inflation driven by energy and commodities pricing, which have been further exacerbated by the crisis in Ukraine. The impact of a possible global recession could see a period of reduced economic activity flowing through to lower user numbers and transaction volumes and therefore reduced revenue for the Acturis Group. The Group has modelled various stress test scenarios and we have contingency plans in place to control costs to ensure continued profitable operations. The Group also has sufficient cash resources and bank facilities to weather any deeper crisis and allow time to adapt the cost base to the evolving crisis.

Engaging with stakeholders

Section 172 of the Companies Act 2006 requires that the board should understand the views of the company's key stakeholders and take these into consideration in board discussions and decision-making. The directors regularly and actively engage with the Company's employees, customers and suppliers to understand relevant stakeholder views.

Acturis Limited

Strategic report for the year ended 30 September 2021 (continued)

Engaging with stakeholders (continued)

Employees

Regular engagement with employees is of critical concern to the Company, with significant effort expended on developing the wellbeing and morale of the employees. Regular contact and exchange of information is maintained through team briefings; internal newsletters; “all hands” update calls; and employee surveys.

The Company is committed to policies which provide fair selection and advancement based upon objective assessment of ability and experience free from discrimination on any grounds. Colleague development is monitored by way of an extensive triannual assessment, appraisal and feedback. The Company encourages wide participation in its success through its share option scheme.

Customers and suppliers

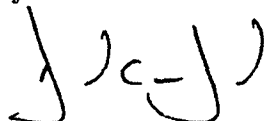
The Company proactively and continuously engages with its customers and suppliers through both face to face meetings and digital platforms. In addition to regular visits to office locations of key customers and suppliers and attendance at industry conferences, the Company hosts a series of in-persons User Group Meetings across the UK where a broad range of users are consulted over upcoming system releases and future development plans. The Company also conducts regular Net Promoter Score surveys of customers.

By engaging with and carefully listening to feedback from its user base the Company is well placed to develop new and innovative solutions to better serve their needs.

Outlook

In the near term, the Company has shown that it is well suited to operate effectively under COVID-19 conditions. Longer term, Acturis is well positioned to support underwriters, brokers and other distributors in developing integrated, efficient, multi-channel propositions. We will continue to support and invest in initiatives to drive electronic integration between brokers and insurers and to enable process automation where beneficial to our customers.

By order of the board



David McDonald
Director

Courtyard Suite
100 Hatton Garden
London
EC1N 8NX

25 March 2022

Acturis Limited

Directors' report for the year ended 30 September 2021

The directors present their annual report and audited financial statements for the year ended 30 September 2021.

Directors

The directors who held office during the year were as follows:

David McDonald
Theodore Sam Duchon
Anthony Peter Goddard
Shailesh Bhatia
Thomas Edward Walter Stuart
Jim Lorimer
Jeff McCracken
Hayden Parra
Mark Lloyd Davies

Proposed dividend

During the year, the company paid a dividend of £42,981k (2020: £Nil). Post year end on 25 January 2022 the company paid a dividend to ordinary shareholders of £6.8243 per ordinary share totalling £13,560k.

Political and Charitable Contributions

£10k (2020: £1.7k) was donated to charitable organisations during the year.

Post balance sheet events

Post balance sheet events are disclosed in Note 24 to the accounts.

Research and development

During the year the company invested £13,386k (2020: £12,750k) in the development of the Acturis System and its associated technologies. Where software development expenditure meets the recognition criteria it is capitalised as an asset and amortised over its useful life. Other research and development expenditure is written off as incurred.

Acturis Limited

Directors' report for the year ended 30 September 2021 (continued)

Greenhouse gas emissions, energy consumption and energy efficiency

The COVID-19 related lockdown resulted in a sizeable reduction in the energy usage of the UK group in the period as offices operated at levels significantly below capacity and site visits to clients were curtailed.

	30 Sep 2021	30 Sep 2020
UK Energy consumed:	kWh	kWh
Electricity use	187,352	219,071
Gas combustion	-	-
Fuel consumption	13,696	10,007
UK Emissions from:	Tonnes CO2	Tonnes CO2
Scope 1 (Direct)	-	-
Scope 2 (Energy Indirect)	40	51
Scope 3 (Other indirect)	3	2
Company's Chosen Intensity Measurement	Ratio	Ratio
Total tonnes CO2 emissions per £m Revenue	0.6	0.8

Consumption data was determined by using invoices from suppliers and estimating fuel usage based on expenditure.

Emissions were determined by applying the UK government conversion factors to the energy consumption values and aggregating the total.

Scope 3 emissions pertaining to energy use and related emissions from business travel in rental cars or employee-owned vehicles where they are responsible for purchasing the fuel only have been disclosed.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


Acturis Limited

Directors' report for the year ended 30 September 2021 (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



David McDonald
Director
Registered number: 03998084

Courtyard Suite
100 Hatton Garden
London
EC1N 8NX

25 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTURIS LIMITED

Opinion

We have audited the financial statements of Acturis Limited ("the Company") for the year ended 30 September 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTURIS LIMITED (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that fictitious revenue transactions have been recorded throughout the period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTURIS LIMITED (continued)

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTURIS LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTURIS LIMITED (continued)

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

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



Omar Ali (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
28 March 2022

Acturis Limited

Profit and Loss account for the year ended 30 September 2021

	Note	2021	2020
		£000	£000
Turnover	2	75,250	70,914
Administrative expenses		<u>(35,925)</u>	<u>(34,201)</u>
Operating profit	4	39,325	36,713
Gains on disposals	6	-	64,268
Interest receivable and similar income	7	1,921	4,813
Interest payable and similar expenses	7	(2,533)	(1)
Lease liability interest	18	<u>(84)</u>	<u>(103)</u>
Profit before taxation		38,629	105,690
Taxation on profit	8	<u>(7,236)</u>	<u>(6,133)</u>
Profit for the financial year		<u>31,393</u>	<u>99,557</u>

Operating profit is derived entirely from continuing operations.

The notes on pages 17 to 42 form part of these financial statements.

Company registered number: 03998084

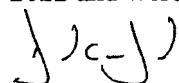
Acturis Limited

Balance sheet as at 30 September 2021

	Note	2021	2020
		£000	£000
Fixed assets			
Intangible assets	10	15,338	13,879
Tangible assets	11	936	1,615
Right of use assets	18	1,753	2,027
Investment in subsidiary	12	22,097	22,097
		<u>40,124</u>	<u>39,618</u>
Current assets			
Debtors (including £60,059k (2020: £61,159k) due after more than one year)	13	73,974	74,337
Cash at bank and in hand	14	12,992	29,164
		<u>86,966</u>	<u>103,501</u>
Current liabilities			
Creditors: falling due within one year	15	(25,144)	(28,732)
Lease liabilities: falling due within one year	18	(1,068)	(866)
		<u>(26,212)</u>	<u>(29,598)</u>
Net current assets		60,754	73,903
Total assets less current liabilities		<u>100,878</u>	<u>113,521</u>
Long term liabilities			
Creditors: falling due after more than one year	16	(9,268)	(9,949)
Lease liabilities: falling due after more than one year	18	(905)	(1,297)
		<u>(10,173)</u>	<u>(11,246)</u>
Net assets		<u>90,705</u>	<u>102,275</u>
Capital and reserves			
Called up share capital	17	2	2
Share premium account	17	5,084	5,084
Capital redemption reserve	17	2	2
Capital contribution reserve	17	712	694
Profit and loss account		84,905	96,493
		<u>84,905</u>	<u>96,493</u>
Total shareholder's funds		<u>90,705</u>	<u>102,275</u>

The notes on pages 17 to 42 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 25 March 2022 and were signed on its behalf by:



David McDonald

Director

Company registered number: 03998084

Acturis Limited

Statement of changes in equity for the Year Ended 30 September 2021

	Called up Share capital £000	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Capital contribution reserve £000	Total £000
At 1 October 2019	2	5,084	2	(3,064)	687	2,711
Profit for the year	-	-	-	99,557	-	99,557
Share based payments	-	-	-	-	7	7
At 30 September 2020	2	5,084	2	96,493	694	102,275
Profit for the year	-	-	-	31,393	-	31,393
Dividend paid	-	-	-	(42,981)	-	(42,981)
Share based payments	-	-	-	-	18	18
At 30 September 2021	2	5,084	2	84,905	712	90,705

The notes on pages 17 to 42 form part of these financial statements.

Notes to the financial statements for the year ended 30 September 2021

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements prepared for the period to 30 September 2021:

a) Basis of preparation

Acturis Limited (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales. The registered number is 03998084 and the registered address is Courtyard Suite, 100 Hatton Garden, London, EC1N 8NX.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006. The financial information is presented in Pounds Sterling and in round thousands, which is the Company's functional and presentation currency.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Certain disclosures regarding revenue;
- Comparative period reconciliations for intangible assets, tangible fixed assets and share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of the compensation of Key Management Personnel
- Disclosures in respect of capital management; and
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of Acturis Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosure required by IFRS 7 Financial Instrument Disclosures.

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

b) Going concern

The Company made a profit of £31,393k (2020: £99,557k), has net assets of £90,705k (2020: £102,275k), net current assets of £60,754k (2020: £73,903k) and cash of £12,992k (2020: £29,164k).

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As the Company is part of the Group headed by Topinsure Limited and participates in the Group's treasury and banking facilities, the directors have included the Company as part of its Going Concern assessment of the Group.

The directors have considered the status of the Topinsure Group, its financial position and future prospects. In particular, consideration has been given to the uncertainties relating to: (1) a potential economic downturn as a consequence of high inflation and the long-term impact of COVID-19 measures; (2) the market in which the Group operates; and (3) the particular risks described in the report to which the Group is exposed. From these risks, the directors consider that the potential economic decline from inflationary pressure and COVID-19 represent the most significant risks for the Group.

The directors have considered the financial budgets and forecasts prepared for a period of at least 12 months in relation to Topinsure Group's activities, which includes the use of downside sensitivities to model a significant but plausible downside scenario and the funding available to the Topinsure Group. These demonstrate the Company will have sufficient funds, through the Topinsure Group's treasury arrangements and banking facilities, to meet its liabilities as they fall due for the forecast period.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared them on a going concern basis.

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

c) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Fixture and fittings 3 years
- Computer Equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

d) Intangible fixed assets

Internal software research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Purchased software

The Company purchases external software licenses. These costs are capitalised and are amortised over 3 years on a straight line basis and are stated at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Acturis Limited

1 Principal accounting policies (continued)

d) Intangible fixed assets (continued)

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Licenses - 3 years
- Trademarks - 10 years
- Internally developed software - 5 years

e) Impairment of tangible and intangible assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

f) Turnover

The Company generates its revenue principally through the supply of:

- Software as a service (covering the rental of software and the provision of software hosting, operations, management and maintenance services)
- Professional service fees

The Company enters into contracts which can include combinations of software licences or rights to use software; hosting and application management; support and maintenance services; and professional services. In some cases these are capable of being distinct services, in which case they are accounted for as separate performance obligations. Where they are not capable of being distinct from one another they are accounted for as a single performance obligation. The various operating companies within the Company have different software licencing and service models and as a result have different revenue recognition policies.

Software as a service fees

Contracts are for a minimum initial term, are non-cancellable and are automatically renewable. Customers are charged for software platform usage based on a number of metrics. Revenue is recognised over the period during which the service is provided.

Professional services

Professional services relate to project management, business and process analysis services, the development of bespoke features, configuration of standard software, integration of third party services and software, migration of data and training.

Professional services revenue is recognised under one of the following methods:

1. Where the professional service is not separable from a connected term licence or software as a service performance obligation (for example where the client requires bespoke enhancement of the standard software which can only be delivered by the Company), then those services are considered to be part of the same performance obligation and the revenue is recognised over the minimum term of the software licence or software as a service contract; or
2. Where the professional service is not necessary for use of the software by the client (for example where the integration of 3rd party services, data migration or training is not necessary to use the standard software or the client or a 3rd party could perform the professional services), then they are considered to be separate performance obligations and the revenue is recognised as the service is performed or delivery milestone is achieved.

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

g) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

h) Leases

At inception of a contract the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified as a lease;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

h) Leases (continued)

- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

Recognition:

The Company recognised 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 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, plant 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 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.

Lease payments included in the measurement of the lease liability include payments in optional renewal periods if the Company reasonably expects they will be exercised. Variable payments are only included in the measurement if they depend on an index or rate.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in index or rate or if there is a change in the Company's assessment of the likelihood of a renewal option being exercised.

When the lease liability is measured, a corresponding adjustment is made to the right-of-use asset or is recorded in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets within 'tangible assets' and lease liability within 'creditors' on the statement of financial position.

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 that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised on a straight-line basis over the lease term.

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

i) Operating leases

Operating lease rentals outside the scope of IFRS 16 are charged to the profit and loss account on a straight line basis over the period of the lease.

j) Financial Instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured at fair value.

Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to both hold assets to collect contractual cash flows and selling the assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

j) Financial Instruments (continued)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on disposal is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

j) Financial Instruments (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on disposal is also recognised in profit or loss.

(c) *Intra-group financial instruments*

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

(d) *Impairment*

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

j) Financial instruments (continued)

Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset,

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and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes to the financial statements for the year ended 30 September 2021 (continued)

1 Principal accounting policies (continued)

k) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the Company's parent grants rights to its equity instruments to the Company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the Company accounts for these share-based payments as equity-settled.

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Notes to the financial statements for the year ended 30 September 2021 (continued)

2 Turnover

In the following table, revenue is disaggregated by primary geographical market and major products/service lines.

	2021 £000	2020 £000
Software as a service fees	59,136	54,902
Professional services fees	16,114	16,012
	<u>75,250</u>	<u>70,914</u>

	2021 £000	2020 £000
Geographic market		
United Kingdom	73,225	69,694
Other countries	2,025	1,220
	<u>75,250</u>	<u>70,914</u>

Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

	2021 £000	2020 £000
Trade Debtors	11,250	7,121
Contract assets	1,183	1,263
Contract liabilities	17,377	17,744

The value of contract assets settled in the current period from performance obligations satisfied (or partially satisfied) in previous periods was £1,263k (2020: £1,373k).

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £9,540k (2020: £11,495k)

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Notes to the financial statements for the year ended 30 September 2021 (continued)

3 Remuneration of directors and staff costs

	2021 £000	2020 £000
Directors' emoluments including social security costs		
Emoluments inclusive of benefits in kind	2,017	1,925
Pension contributions	<u>14</u>	<u>16</u>
	<u>2,031</u>	<u>1,941</u>
Emoluments of the highest paid director including social security costs		
Emoluments inclusive of benefits in kind	282	280
Pension contributions	<u>2</u>	<u>2</u>
	<u>284</u>	<u>282</u>
	No.	No.
Average number of persons employed during the year		
Software design, development and implementation	276	272
Project management, training and data migration	21	21
System operations and customer support	71	68
Sales, administration and management	<u>27</u>	<u>26</u>
	<u>395</u>	<u>387</u>
	2021	2020
Staff costs (including directors)	£000	£000
Wages and salaries	20,007	19,005
Other employee benefits (including share based payments)	18	7
Social security costs	2,249	2,172
Pension costs	<u>521</u>	<u>491</u>
	<u>22,795</u>	<u>21,675</u>

The pension costs disclosed above all related to contributions into a defined contribution company pension plan.

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

4 Operating profit

a) Profit on ordinary activities before taxation is stated after charging:

	2021	2020
	£000	£000
Auditor's remuneration in relation to the statutory audit of Acturis Limited	34	36
Amortisation of intangible fixed assets (see note 10)	5,635	4,719
Depreciation of tangible fixed assets (see note 11)	1,795	1,833
Leases outside the scope of IFRS 16	327	358

b) Expenditure on development of the Acturis system in the year was as follows:

	2021	2020
	£000	£000
Development expenditure expensed as incurred	6,541	6,877
Development expenditure capitalised (see note 10)	6,845	5,873
Total development expenditure for the period	<u>13,386</u>	<u>12,750</u>

5 Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6 Gains on disposals

In the previous year on 20 December 2019, the Company sold Acturis Deutschland GmbH to Bidinsure Deutschland GmbH (later renamed to Acturis Deutschland GmbH) for €78,000k resulting in a gain of €74,975k, translating to £64,268k.

7 Interest payable/receivable and similar expense/income

	2021	2020
	£000	£000
Interest receivable		
Interest income on bank deposits	64	85
Reversal of accrued interest income	(134)	-
Inter-company interest (expense)/income	1,991	1,545
Gain on foreign exchange translation	-	3,183
Total interest receivable	<u>1,921</u>	<u>4,813</u>
Interest payable		
Lease liability interest (see note 18)	84	1
Loss on foreign exchange translation	2,533	-
Total interest payable	<u>2,617</u>	<u>1</u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

8 Taxation

The corporation tax charge for the year ended 30 September 2021 is £7,236k (2020: £6,133k). The main rates of 19% (2020: 19%) were used in the computation of the corporation tax charge.

The company has no (2020: £nil) tax losses available to offset against future profits.

	2021 £000	2020 £000
Analysis of charge in the year		
Current tax charge	7,403	5,360
Adjustment in respect of prior years	(2)	-
Total current taxation	7,401	5,360
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	(67)	62
Change in tax rates	(98)	(114)
Adoption of FRS 101	-	825
Deferred tax expense	(165)	773
Tax expense in income statement	7,236	6,133

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below.

	2021 £	2020 £
Reconciliation of effective tax rate		
Profit before tax	38,629	105,690
Tax using the UK corporation tax rate of 19% (2019: 19%)	7,340	20,081
Effects of:		
Tax exempt gains	-	(12,211)
Adoption of FRS 101	-	(1,626)
Non deductible expenses	(4)	3
Change in tax rates	(98)	(114)
Adjustment in respect of prior year	(2)	-
Tax expense	7,236	6,133

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

8 Taxation (continued)

Deferred Tax Asset

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Tangible fixed assets	385	220	-	-	385	220
Adoption of FRS 101	-	-	-	-	-	-
Tax assets	385	220	-	-	385	220

Movement in deferred tax during the year

	1 October 2020 £000	Recognised in income £000	30 September 2021 £000
Tangible fixed assets	220	165	385
	220	165	385

Movement in deferred tax during the prior year

	1 October 2019 £000	Recognised in income £000	30 September 2020 £000
Tangible fixed assets	255	(35)	220
Adoption of FRS 101	738	(738)	-
	993	(773)	220

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This increased the company's tax charge accordingly.

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Company's future tax charge. The Company has recognised its deferred tax assets based on the date that these are expected to be utilised.

9 Dividends

During the year, the company paid a dividend of £ 42,981k (2020: Nil). After the balance sheet date dividends of £6.8243 per qualifying ordinary share were proposed by the directors. See note 24 for further details.

Notes to the financial statements
for the year ended 30 September 2021 (continued)

10 Intangible fixed assets

	Licenses	Trademarks	Internally developed software	Total
	£000	£000	£000	£000
<i>Cost</i>				
At beginning of year	6,663	30	24,936	31,629
Additions	243	7	6,845	7,095
At end of year	<u>6,906</u>	<u>37</u>	<u>31,781</u>	<u>38,724</u>
<i>Amortisation</i>				
At beginning of year	5,410	2	12,339	17,751
Charge for the year	670	4	4,961	5,635
At end of year	<u>6,080</u>	<u>6</u>	<u>17,300</u>	<u>23,386</u>
<i>Carrying value</i>				
At 30 September 2021	<u>826</u>	<u>31</u>	<u>14,481</u>	<u>15,338</u>
At 30 September 2020	<u>1,254</u>	<u>28</u>	<u>12,597</u>	<u>13,879</u>

11 Tangible fixed assets

	Fixtures, fittings & equipment	Computer equipment	Total
	£000	£000	£000
<i>Cost</i>			
At beginning of year	1,291	11,903	13,194
Additions	-	284	284
At end of year	<u>1,291</u>	<u>12,187</u>	<u>13,478</u>
<i>Depreciation</i>			
At beginning of year	1,102	10,477	11,579
Charge for the year	122	841	963
At end of year	<u>1,224</u>	<u>11,318</u>	<u>12,542</u>
<i>Carrying value</i>			
At 30 September 2021	<u>67</u>	<u>869</u>	<u>936</u>
At 30 September 2020	<u>189</u>	<u>1,426</u>	<u>1,615</u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

12 Investment in subsidiary

	Investment in Subsidiary £000
2021	
<i>Cost</i>	
At beginning of period	22,097
Additions	-
Disposals	-
	<hr/>
At 30 September 2021	22,097
	<hr/>
2020	£000
<i>Cost</i>	
At beginning of period	2,203
Additions	22,097
Disposals	(2,203)
	<hr/>
At 30 September 2020	22,097
	<hr/>

In the previous year on 24/09/19 Acturis Limited incorporated Bidinsure Deutschland GmbH with the initial share capital of £21,306. On 20 December 2019, the Company sold Acturis Deutschland GmbH to Bidinsure Deutschland GmbH (later renamed to Acturis Deutschland GmbH) for €78,000k. The intercompany receivable was then subject to a partial debt to equity swap on 15/01/20 which increased the investment in subsidiary by £22,076k. The balance of the receivable (£42,204k) remains outstanding at 30 September 2021.

The company has the following investments in subsidiaries:

	Country of Incorporation	Class of shares held	Ownership	Company Number
2021				
Acturis Deutschland GmbH	Germany	Ordinary	100%	HRB 27038
2020				
Acturis Deutschland GmbH	Germany	Ordinary	0%	HRB 11687
Acturis Deutschland GmbH (formerly Bidinsure Deutschland GmbH)	Germany	Ordinary	100%	HRB 27038

The registered office address of each subsidiary is as follows:

<i>Subsidiary</i>	<i>Registered Office Address</i>
<i>Acturis Deutschland GmbH</i>	<i>Max-Planck-Str. 14, 53501 Graftschaff</i>
<i>Acturis Deutschland GmbH (formerly Bidinsure Deutschland GmbH)</i>	<i>Max-Planck-Str. 14, 53501 Graftschaff</i>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

13 Debtors: amounts falling due within one year

	2021 £000	2020 £000
Trade debtors	11,250	7,121
Deferred tax asset (see note 8)	385	220
Other debtors	1,195	282
Corporation tax	-	2,784
Prepayments and contract assets	1,470	2,991
Amount due from other group undertakings	<u>59,674</u>	<u>60,939</u>
	<u>73,974</u>	<u>74,337</u>
Due within one year	13,915	13,178
Due after more than one year	<u>60,059</u>	<u>61,159</u>
	<u>73,974</u>	<u>74,337</u>

The interest rate for intercompany loans varies between Bank of England base rate plus 3.5% and 4.0%. All loans are repayable on demand but the Company does not have the intention to recall them so they have been reclassified as non-current.

14 Cash at bank and in hand

	2021 £000	2020 £000
Current accounts	601	313
Deposit accounts	<u>12,391</u>	<u>28,851</u>
	<u>12,992</u>	<u>29,164</u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

15 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	1,124	2,358
Other creditors	1,962	2,627
Accruals	2,989	2,637
VAT payable	2,658	4,672
Contract liabilities	8,109	8,835
Corporation Tax	3,615	-
Amounts due to group undertakings	4,108	7,061
Taxation and social security	579	542
	<u>25,144</u>	<u>28,732</u>

The interest rate for intercompany loans varies between Bank of England base rate plus 3.5% and 5.5%. All loans are repayable on demand.

16 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Other creditors	-	1,040
Contract liabilities	9,268	8,909
	<u>9,268</u>	<u>9,949</u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021(continued)

17 Capital and reserves

Called up share capital

	2021 £000	2020 £000
Authorised 6,703,769,000 ordinary shares of £0.001 each	<u>6,704</u>	<u>6,704</u>
Allotted, called up and fully paid 1,987,020 ordinary shares of £0.001 each	<u>2</u>	<u>2</u>
Shares classed as shareholders' funds	<u>2</u>	<u>2</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium account

The share premium account comprises of the premium over the nominal value of shares issued.

Capital redemption reserve

The capital redemption reserve comprises of the capital of shares cancelled.

Capital contribution reserve

The capital contribution reserve comprises of the contribution from group companies relating to share based payments.

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021(continued)

18 Leases

Following the implementation of IFRS 16, lease liabilities have been recognised at 1 October 2018 measured at the present value of the remaining lease payments, with the corresponding right of use assets recognised in fixed assets.

Right of use assets

	£000
At 1 October 2019	2,875
Additions	-
Depreciation	(848)
At 30 September 2020	<u>2,027</u>
At 1 October 2020	2,027
Additions	558
Depreciation	(832)
At 30 September 2021	<u><u>1,753</u></u>

Lease liabilities

	£000
At 1 October 2019	(3,003)
Additions	-
Interest	(103)
Lease payments	943
At 30 September 2020	<u>(2,163)</u>
At 1 October 2020	(2,163)
Additions	(558)
Interest	(84)
Lease payments	832
At 30 September 2021	<u><u>(1,973)</u></u>
Due within one year	1,068
Due after more than one year	905
	<u><u>1,973</u></u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

18 Leases (continued)

Items expensed through the income statement include the following:

Leases under IFRS 16

2021	£000
Interest on lease liabilities	84
Depreciation of assets in use	832
2020	£000
Interest on lease liabilities	103
Depreciation of assets in use	848

The undiscounted maturity analysis of lease liabilities at 30 September is as follows:

	2021	2020
	£000	£000
Less than one year	1,524	1,522
Between one and five years	197	648
	<u>1,721</u>	<u>2,169</u>

In the financial statements for the year ended 30 September 2020, right of use assets were disclosed as part of tangible assets on the balance sheet and lease liabilities were disclosed as part of creditors on the balance sheet. The right of use assets and lease liabilities are a large component of tangible assets and creditors respectively. Therefore, these have been presented separately on the balance sheet.

In the financial statements for the year ended 30 September 2021:

- right of use assets therefore have been reclassified from tangible assets and presented separately, hence the prior year comparatives have been restated from tangible assets of £3,642k to £1,615k and right of use assets of £nil to £2,027k;
- lease liabilities falling due within one year therefore have been reclassified from creditors falling due within one year and presented separately, hence the prior year comparatives have been restated from creditors falling due within one year of £29,598k to £28,732k and lease liabilities: falling due within one year of £nil to £866k; and
- lease liabilities falling due after more than one year therefore have been reclassified from creditors falling due after more than one year and presented separately, hence the prior year comparatives have been restated from creditors falling due after more than one year of £11,246k to £9,949k and lease liabilities falling due after more than one year of £nil to £1,297k.

Acturis Limited

Notes to the financial statements for the year ended 30 September 2021 (continued)

19 Contingent liabilities

There are no contingent liabilities at 30 September 2021.

20 Share based payments

Following the restructuring of the Group in May 2019, a new share option plan was introduced by Topinsure Limited.

Eligible employees in the Company were granted share options that are equity settled by the ultimate holding entity, Topinsure Limited. In the year the charge to the income statement was £18k (2020: £7k) for the Company's portion of the group charge.

21 Related party transactions

The Company has availed itself of the exemption under FRS101 not to give details of related party transactions with group companies, as it is a fifth-tier subsidiary of Topinsure Limited. The consolidated financial statements of Topinsure Limited within which the Company is included, can be obtained from Topinsure Limited's registered office at 100 Hatton Garden, London, EC1N 8NX, United Kingdom.

During the year, the Company entered into an arms' length contract to supply software services to a company in which two directors of the Company have non-controlling shareholdings. The value of services supplied during the year was £133k (2020: £144k) and the balance outstanding at the year end was £3k (2020: £1k).

22 Ultimate parent company and parent company of larger group

The company is a subsidiary undertaking of Acturis International Limited. The ultimate parent company is Topinsure Limited and there is no single controlling party. The largest group in which the results of the Company are consolidated is that headed by Topinsure Limited, Courtyard Suite, 100 Hatton Garden, London, England EC1N 8NX. The smallest group in which they are consolidated is that headed by Acturis Group Limited, Courtyard Suite, 100 Hatton Garden, London, England EC1N 8NX. The consolidated financial statements of these groups are available to the public and may be obtained from Courtyard Suite, 100 Hatton Garden, London, England EC1N 8NX.

Notes to the financial statements for the year ended 30 September 2021 (continued)

23 Accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the varying values of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from these estimates.

The key assumptions concerning the future and the key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year are as follows:

Revenue recognition

The supply of services to a customer can include multiple elements comprising a mixture of development, implementation, consulting and user licenses within a single project. The directors are required to make judgements as to the amounts and timing of the recognition of revenues by reference to the specific client contract, the services rendered and stage of completion, the payments received from the customer and the application of the Company's accounting.

Acquisitions and recoverability of intangible assets and investments

On acquisitions, the directors have to make judgements and best estimates about the fair value of intangible assets and investments acquired. The directors have considered the recoverability of the Company's intangible technology assets and investments based on value-in-use calculations that require the use of estimates. In particular the directors have made judgements as to the anticipated future revenue stream from the Acturis System and its investments.

Leases

At inception of a contract the Company assess whether a contract is; or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the directors make judgements to assess whether the contract involves the use of an identified asset, the right to obtain substantially all of the economic benefits from use of the asset through the period of use, and the right to direct the use of the asset. The directors also make significant judgements and best estimates in respect of any lease extension or termination options of current leases.

24 Post balance sheet events

Post year end on 25 January 2022 the company paid a dividend to ordinary shareholders of £6.8243 per ordinary share totalling £13,560k.

There are no other post balance sheet events material to these financial statements.