

EFICODE UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

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EFICODE UK LIMITED

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COMPANY INFORMATION

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Director	I T J Nurmi
Company secretary	Bird & Bird Company Secretaries Limited
Registered number	05643578
Registered office	Unit 15 Chalcroft Business Park Burnetts Lane Southampton Hampshire SO30 2PA
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

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EFICODE UK LIMITED

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STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

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## Introduction

The director presents his Strategic Report together with the audited financial statements for the year ended 30 June 2024.

## Business Review

FY2024 was a healthy year for the business, as we achieved significant increases in revenue and operating profits.

In the first full period as part of Eficode Group, we continued to integrate our people, systems and processes, enabling greater efficiencies and effectiveness in our business operations.

Whilst Eficode remains the partner of choice for Atlassian Cloud customers, we continued to build our Service Management and Agile, Portfolio & Developer Experience practices. Our expertise across these disciplines leaves Eficode well placed to continue standing out as a firm leader within the partner community.

The business successfully went-to-market with a more diverse portfolio of products and services, scaling our DevOps consulting capabilities, strengthening our positioning with other vendors such as Microsoft and GitLab, and continuing to expand our Managed Service offerings through Total Support and Eficode ROOT.

A highlight of the period was Eficode UK being named the 'Number 1 Best Small Company to Work For in the UK' in the prestigious 'Best Companies' awards. This huge accolade reflects our tireless commitment to employee engagement and wellbeing.

## Principal risks and uncertainties

The Company monitors the following principal risk areas:

- Exposure to foreign exchange
- Dependence upon our primary partner (Atlassian)
- Macroeconomic conditions

## Future Developments

In FY2025, the business will focus on migrating Atlassian Data Center customers to Cloud; expanding our Service Management & Agile, Portfolio & Developer Experience practices; scaling our Microsoft and GitLab partnerships and driving greater recurring revenues from Managed Service offerings.

## Financial key performance indicators

- Turnover - has increased by 167% to £87.9m (6-month period ended June 2023 - £33.0m).
- Profit before tax (excluding profit on disposal of subsidiary) - has increased to £4.0m (6-month period ended 30 June 2023 - £1.7m).
- Cash - has decreased by 16% from £6.20m to £5.16m.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2024

**Other key performance indicators**

The Company also monitors non-financial key performance indicators such as staff turnover, client retention, business effectiveness and both customer and staff satisfaction.

Measure	Basis	Jun 2023	Jun 2024
Voluntary Staff Turnover	12M Rolling Avg	0%	5%
Customer Net Promoter Score	NPS, 12W Rolling Avg	75/100	81/100
Staff Happiness	8W Rolling Avg	7.7/10	8.1/10

**Director's statement of compliance with duty to promote the success of the Company**

*Long-Term Decision-Making*

The board takes a long-term view when making decisions, ensuring that the company's strategy and operations promote sustainable success. We consistently evaluate the future impact of our business activities and decisions on the company's growth, financial stability, and market position. Eficode has recently concluded a double materiality assessment to analyse the short, medium and long term (5+years) impacts, risks and opportunities associated with our full value chain. This includes the outward impact of our business activities on environmental, social and governance topics, and the financial impact on Eficode of the same. The results of this analysis are used as steering information for decision making.

*Employee Interests*

The interests of our employees are a key consideration in our decision-making process. We promote an equitable and inclusive workplace culture, right from high level policy through to employee forums. We actively engage with employees to seek feedback and continuously improve employee focused initiatives, benefits and experience. We invest in the development of our staff, and ensure their health, safety, and well-being are prioritised across all levels of the business. The results of this are reflected in our low employee churn, employee happiness scores on pulse surveys and top performance in the Best Companies awards.

*Business Relationships*

We value strong relationships with our suppliers, customers, and other key stakeholders. We strive to build long-term, transparent partnerships that are mutually beneficial and ensure that our business practices are fair, ethical, and aligned with the expectations of our stakeholders. Stakeholder engagement has been an important focus throughout our recent double materiality assessment. Through inviting stakeholders to engage with us on topics they consider important, high risk, or presenting opportunity has enabled us to strengthen our business relationships, provide more value, and in return, receive more value and reduce our business risks.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2024

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*Community and Environmental Impact*

In all we do, across our global operations, we are driven by our commitment to a sustainable and inclusive world, which is reflected in the development of the solutions that we deliver to our clients, our internal activities and in conjunction with our suppliers and partners. By embedding environmental, social, governance into our operations and offerings, we create value for our business by driving innovation, expanding our value proposition, deepening relationships with our stakeholders, attracting and retaining top talent, and reducing our financial risks. We will continually increase our environmental, social and governance performance by staying focused on the areas where we can have the greatest impact and evolve in the way we operate. As such, we have recently concluded our first double materiality assessment which will steer our ESG strategy as we move forward. In the reporting period, we have publicly published our carbon emissions, set a Net Zero and near term carbon reduction target, and implemented a number of carbon reduction initiatives. Our employees have engaged with a number of community based initiatives including utilising their paid volunteer days for local volunteering and organised fundraisers.

*High Standards of Business Conduct*

Maintaining high standards of business conduct is a core part of our approach. We are committed to ethical business practices, regulatory compliance, risk management and robust governance frameworks to ensure that all our operations are conducted with integrity, ensuring the resilience and long-term preservation of value for our business. As a leader in digital services, our responsibility extends to how we deploy digital strategies and protect data, through using the highest standards of security.

*Fairness Among Members*

The board consistently seeks to act in a fair manner between all members of the company. We aim to ensure that our decisions deliver value for all shareholders, maintaining transparency and effective communication to ensure that all members are treated equitably.

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



Ilari Nurmi (Sep 20, 2024 21:06 GMT+3)

I T J Nurmi  
Director

Date: 20/09/2024

**DIRECTOR'S REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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The director presents his report and the financial statements for the year ended 30 June 2024.

**Results and dividends**

The profit for the year, after taxation, amounted to £2,973,350 (*6-month period ended 30 June 2023 - £4,351,703*).

The director proposed and paid a final dividend of £3,000,000 (*6-month period ended 30 June 2023 - £Nil*).

**Directors**

The director who served during the year was:

I T J Nurmi

**Financial risk management**

The Company's activities expose it to a variety of financial risks that include the effects of the changes in exchange rates, price risk, credit risk and interest rate risk.

**Foreign currency risk**

The Company is exposed to changes in currency exchange rates due to purchasing items from Australia and making sales in a number of foreign countries. The Company manages this risk through foreign currency hedging.

**Price risk**

The Company is exposed to price risk due to normal inflationary increases in the purchase prices of items as well as potential price increases introduced by its principal partner Atlassian. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

**Credit risk**

Credit risk is managed by obtaining payment in advance for all customers purchasing licenses, unless they have been given approval to purchase on credit terms.

**Interest rate risk**

The Company has interest bearing assets and liabilities. Interest bearing assets comprise cash balances that earn interest at variable rates. There were no interest bearing liabilities during the year.

DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2024

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**Streamlined Energy and Carbon Reporting (SECR)**

**Methodology**

Eficode has calculated its climate impact according to the guidelines of The Greenhouse Gas Protocol (generally referred to as GHG protocol), which is one of the world's most used greenhouse gas accounting standards. GHG offers a framework for measuring and managing emissions from private and public sector operations, value chains, products, and strategies. We partnered with Normative, a carbon accounting engine based on the GHG protocol standard for corporate emissions calculations. To substantiate their scientific integrity, Normative have published a methodology whitepaper. Our impact is reported under Scope 1, 2 and 3 emissions as defined below:

- Scope 1/Direct Emissions - Direct emissions resulting from vehicles, fuel use, and/or chemical leakage.
- Scope 2/Indirect emissions from purchased energy - Indirect emissions resulting from bought electricity, cooling, heat and/or steam.
- Scope 3/Indirect emissions from business activities - Other indirect emissions that occur in the value chain of a company and are not already included within scope 2 (such as emissions resulting from purchased goods and services, transport, or business travel).

**Our emissions**

Scope 1	0
Scope 2	5.95 tCO <sub>2</sub> e (4.79 is location based)
Scope 3	13,344 tCO <sub>2</sub> e
Energy	21,756 kWh (25% renewable energy)
Emission intensity (per employee)	0.58 tCO <sub>2</sub> e per employee

**Our impact**

Eficode reports emissions publicly via the Carbon Disclosure Project and has submitted a commitment letter to the Science Based Targets Initiative with the intent to verify our Net Zero targets. Eficode is currently developing initiatives to achieve our near and long term targets.

**Matters covered in the Strategic Report**

Where necessary, disclosures relating to future developments and results & dividends have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

**Disclosure of information to auditor**

The director at the time when this Director's Report is approved has confirmed that:

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

**Post balance sheet events**

There have been no significant events affecting the Company since the period end.

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EFICODE UK LIMITED

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DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2024

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**Auditor**

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Ilari Nurmi (Sep 20, 2024 21:06 GMT+3)

I T J Nurmi  
Director

Date: 20/09/2024

**DIRECTOR'S RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2024**

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The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFICODE UK LIMITED

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**Opinion**

We have audited the financial statements of Eficode UK Limited (the 'Company') for the year ended 30 June 2024 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFICODE UK LIMITED (CONTINUED)

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**Other information**

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

We have nothing to report in this regard.

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

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Director's Responsibilities Statement set out on page 7, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for 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 the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFICODE UK LIMITED (CONTINUED)

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

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

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

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Company's industry and regulation.

We understand that the Company complies with the framework through:

- Outsourcing tax compliance to external experts; and
- Subscribing to relevant updates from external experts and making changes to internal procedures and controls as necessary.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries or error affecting cut off around the year end.

The procedures we carried out to gain evidence in the above areas included:

- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EFICODE UK LIMITED (CONTINUED)

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**Use of our report**

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

CLA Evelyn Partners Limited  
CLA Evelyn Partners Limited (Sep 20, 2024 21:47 GMT+1)

Julie Mutton (Senior Statutory Auditor)

for and on behalf of  
CLA Evelyn Partners Limited

Chartered Accountants  
Statutory Auditor

4th Floor Cumberland House  
15-17 Cumberland Place  
Southampton  
Hampshire  
SO15 2BG  
Date: 20/09/2024

EFICODE UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	30 June 2024 £	<i>6-month period ended 30 June 2023 £</i>
Turnover	4	87,913,266	32,977,680
Cost of sales		(79,239,240)	(29,115,619)
<b>Gross profit</b>		<b>8,674,026</b>	<b>3,862,061</b>
Administrative expenses		(5,471,421)	(2,288,916)
Other operating income	5	342,572	64,532
<b>Operating profit</b>	<b>6</b>	<b>3,545,177</b>	<b>1,637,677</b>
Interest receivable and similar income	8	430,009	5,054
Profit on disposal of subsidiary	12	-	3,142,418
<b>Profit before taxation</b>		<b>3,975,186</b>	<b>4,785,149</b>
Tax on profit	9	(1,001,836)	(433,446)
<b>Profit for the financial year/period</b>		<b>2,973,350</b>	<b>4,351,703</b>

There was no other comprehensive income for the year ended 30 June 2024 (*6-month period ended 30 June 2023 - £Nil*).

The notes on pages 15 to 28 form part of these financial statements.

EFICODE UK LIMITED  
REGISTERED NUMBER:05643578

BALANCE SHEET  
AS AT 30 JUNE 2024

	Note	30 June 2024 £	30 June 2023 £
<b>Fixed assets</b>			
Tangible assets	11	175,862	97,077
		<u>175,862</u>	<u>97,077</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	37,126,938	16,391,300
Cash at bank and in hand		5,164,022	6,199,363
		<u>42,290,960</u>	<u>22,590,663</u>
Creditors: amounts falling due within one year	14	(36,830,698)	(17,061,450)
<b>Net current assets</b>		<b>5,460,262</b>	<b>5,529,213</b>
<b>Provisions for liabilities</b>			
Deferred tax	15	(36,484)	-
		<u>(36,484)</u>	<u>-</u>
<b>Net assets</b>		<b><u>5,599,640</u></b>	<b><u>5,626,290</u></b>
<b>Capital and reserves</b>			
Called up share capital	16	2	2
Share premium account	17	69,946	69,946
Profit and loss account	17	5,529,692	5,556,342
<b>Shareholders' funds</b>		<b><u>5,599,640</u></b>	<b><u>5,626,290</u></b>

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



Ilari Nurmi (Sep 20, 2024 21:06 GMT+3)

I T J Nurmi  
Director

Date: 20/09/2024

The notes on pages 15 to 28 form part of these financial statements.

EFICODE UK LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2023	2	69,946	1,204,639	1,274,587
Comprehensive income for the 6-month period				
Profit for the 6-month period	-	-	4,351,703	4,351,703
At 1 July 2023	2	69,946	5,556,342	5,626,290
Comprehensive income for the year				
Profit for the year	-	-	2,973,350	2,973,350
Contributions by and distributions to owners				
Dividends for the year	-	-	(3,000,000)	(3,000,000)
At 30 June 2024	2	69,946	5,529,692	5,599,640

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

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**1. General information**

Eficode UK Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 05643578). The registered office address is Unit 15 Chalcroft Business Park, Burnetts Lane, Southampton, SO30 2PA.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

In the prior year the Company shortened its accounting period to 30 June 2023 to align with that of the wider Eficode Group. These financial statements present the results of the Company for the year ended 30 June 2024 and are not entirely comparable with the prior period which was for the 6-month period ended 30 June 2023.

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Eficode Group Oy as at 30 June 2024 and these financial statements may be obtained from Pohjoinen Rautatiekatu 25, 00100 Helsinki, Finland.

**2.3 Going concern**

The director has concluded that he has reasonable expectation that the Company will have adequate cash resources to meet its financial obligations as they fall due for at least one year from signing the accounts and for this reason he continues to adopt the going concern basis in preparing the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

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2. Accounting policies (continued)

2.4 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

2.5 Turnover recognition

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

**Rendering of services**

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

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

**Software Licenses**

Turnover from the sale of software licenses is recognised when all the following conditions have been satisfied:

- The Company has transferred to the buyer the significant risks and rewards of the ownership of the licence;
- The Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- The amount of turnover can be measured reliably;
- It is probably that the economic benefits associated with the transaction will flow; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

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2. Accounting policies (continued)

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Short-term leasehold property	-	20%	straight-line
Fixtures and fittings	-	25%	reducing balance
Computer equipment	-	25%	reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Pensions

Defined contribution pension plan

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

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2. Accounting policies (continued)

2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

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

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

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

In the application of the Company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The director considers the following key judgements and sources of estimation uncertainty to have had the most significant effect on the amounts recognised in the financial statements.

*Turnover recognition*

Turnover is accrued for unbilled consultancy services provided. In calculating the accrued income, management considers all the unbilled work performed and the likelihood of recoverability.

Support turnover billed in advance is recognised as the service is provided, with the balance being deferred. In determining the amount of revenue to be recognised, management will review the number of hours delivered against total hours sold and the contract value.

*Bad debt provision*

The trade debtors balance of £28,948,614 (2023 - £11,377,995) in the Balance Sheet comprises a number of balances, including some large items. A full line by line review of trade debtors is carried out on a regular basis. In the event that a balance is no longer deemed collectable, a specific provision is raised.

*Accrued expense*

Included within the accruals balance is £Nil (2023 - £1,379,000) relating to estimated historical employment costs. Management have agreed a settlement with HMRC in relation to these historical costs which is recorded in other creditors at year end

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

4. Turnover

An analysis of turnover by class of business is as follows:

	30 June 2024 £	<i>6-month period ended</i> 30 June 2023 £
Professional Services	6,801,166	2,073,404
Licenses	81,112,100	30,904,276
	<u>87,913,266</u>	<u>32,977,680</u>

Analysis of turnover by country of destination:

	30 June 2024 £	<i>6-month period ended</i> 30 June 2023 £
United Kingdom	59,057,850	18,472,731
Rest of Europe	21,609,685	13,103,572
Rest of the world	7,245,731	1,401,377
	<u>87,913,266</u>	<u>32,977,680</u>

5. Other operating income

	30 June 2024 £	<i>6-month period ended</i> 30 June 2023 £
Other income	342,572	64,532
	<u>342,572</u>	<u>64,532</u>

EFICODE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

6. Operating profit

The operating profit is stated after charging:

	<b>30 June 2024</b>	<i>6-month period ended</i> <b>30 June 2023</b>
	£	£
Exchange differences	(36,782)	28,364
Operating lease rentals	48,334	23,933
Audit & preparation of statutory accounts	37,535	29,750
Non-audit tax compliance services	30,717	-
	<b>30,717</b>	<b>-</b>

7. Employees

Staff costs were as follows.

	<b>30 June 2024</b>	<i>6-month period ended</i> <b>30 June 2023</b>
	£	£
Wages and salaries	3,647,012	1,782,353
Social security costs	590,421	258,162
Cost of defined contribution scheme	140,278	57,313
	<b>4,377,711</b>	<b>2,097,828</b>

The company directors are remunerated elsewhere in the group.

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

	<b>30 June 2024</b>	<i>6-month period ended</i> <b>30 June 2023</b>
	No.	No.
Direct	19	21
Indirect	62	53
	<b>81</b>	<b>74</b>

EFICODE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

8. Interest receivable	30 June 2024 £	<i>6-month period ended 30 June 2023 £</i>
Interest receivable from group companies	430,009	-
Other interest receivable	-	5,054
	<u>430,009</u>	<u>5,054</u>
9. Taxation	30 June 2024 £	<i>6-month period ended 30 June 2023 £</i>
<b>Corporation tax</b>		
Current tax on profits for the year	873,931	-
Adjustments in respect of previous periods	-	233,844
	<u>873,931</u>	<u>233,844</u>
<b>Total current tax</b>	<u>873,931</u>	<u>233,844</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	130,228	414,117
Effect of changes in tax rates	(2,323)	(214,515)
	<u>127,905</u>	<u>199,602</u>
<b>Total deferred tax</b>	<u>127,905</u>	<u>199,602</u>
<b>Tax on profit</b>	<u>1,001,836</u>	<u>433,446</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

## 9. Taxation (continued)

## Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (6-month period ended 30 June 2023 - 22.02%). The differences are explained below:

	30 June 2024 £	6-month period ended 30 June 2023 £
Profit on ordinary activities before tax	3,975,186	4,785,149
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 22.02%)	993,797	1,053,690
Effects of:		
Expenses not deductible for tax purposes	9,962	1,195
Fixed asset differences	400	(346)
Other permanent differences	-	(689,841)
Adjustments to tax charge in respect of previous periods	-	233,844
Adjustments to tax charge in respect of previous periods - deferred tax	(2,323)	(214,515)
Remeasurement of deferred tax for changes in tax rates	-	49,419
<b>Total tax charge for the year/period</b>	<b>1,001,836</b>	<b>433,446</b>

## Factors that may affect future tax charges

The current year rate of 25 per cent arises from changes to legislation enacted during 2021. The main rate of corporation tax in the UK increased from 19% to 25% with effect from 1 April 2023.

## 10. Dividends

	2024 £	2023 £
Dividends paid	3,000,000	-

EFICODE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

11. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 July 2023	64,225	42,284	150,619	257,128
Additions	28,264	24,001	73,321	125,586
At 30 June 2024	<u>92,489</u>	<u>66,285</u>	<u>223,940</u>	<u>382,714</u>
<b>Depreciation</b>				
At 1 July 2023	53,474	29,331	77,246	160,051
Charge for the year	6,693	7,480	32,628	46,801
At 30 June 2024	<u>60,167</u>	<u>36,811</u>	<u>109,874</u>	<u>206,852</u>
<b>Net book value</b>				
At 30 June 2024	<u>32,322</u>	<u>29,474</u>	<u>114,066</u>	<u>175,862</u>
At 30 June 2023	<u>10,751</u>	<u>12,953</u>	<u>73,373</u>	<u>97,077</u>

12. Fixed asset investments

On 30 June 2023, the Company sold its subsidiary Clearvision USA Inc. to another company within the group, Larry BidCo OY. The Company received consideration of £3,142,418 in the form of a loan which attracts interest at 4.12%. The loan is repayable on demand.

EFICODE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

13. Debtors

	30 June 2024 £	30 June 2023 £
Trade debtors	28,948,614	11,377,995
Amounts owed by group undertakings	6,196,194	4,279,641
Other debtors	126,565	32,842
Prepayments and accrued income	1,846,688	609,401
Deferred taxation	-	91,421
Financial instruments	8,877	-
	<u>37,126,938</u>	<u>16,391,300</u>

Amounts owed by group undertakings include a group loan of £3,142,418 relating to the disposal of the subsidiary as disclosed in note 11.

Included above are forward foreign exchange contracts held at fair value totalling £8,877. The fair value of the asset held at fair value through profit or loss at the year end are determined using quoted prices.

14. Creditors: Amounts falling due within one year

	30 June 2024 £	30 June 2023 £
Trade creditors	22,627,704	11,322,189
Amounts owed to group undertakings	5,011,247	-
Corporation tax	853,097	-
Other taxation and social security	4,010,379	1,641,408
Other creditors	1,477,614	216,232
Accruals and deferred income	2,850,657	3,833,322
Foreign exchange derivative	-	48,299
	<u>36,830,698</u>	<u>17,061,450</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

15. Deferred taxation

	30 June 2024 £	<i>6-month period ended</i> 30 June 2023 £
At beginning of year	(91,421)	(291,023)
Charged to profit or loss	(127,905)	(199,602)
<b>At end of year</b>	<b>36,484</b>	<b>(91,421)</b>

The deferred taxation balance is made up as follows:

	30 June 2024 £	30 June 2023 £
Accelerated capital allowances	39,099	19,970
Short-term timing differences	(2,615)	(2,290)
Losses and other deductions	-	(109,101)
	<b>36,484</b>	<b>(91,421)</b>

Accelerated capital allowances are expected to reverse in line with each corresponding fixed asset class and the classes depreciation rates, as noted in the accounting policies. Short-term timing differences are expected to reverse over the next 12 months.

16. Share capital

	30 June 2024 £	30 June 2023 £
Allotted, called up and fully paid		
24,680,925 Ordinary shares of £0.0000001 each	2	2

Ordinary shares have attached to them full voting and dividend rights.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

17. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £140,278 (6-month period ended 30 June 2023 - £57,313). Contributions totalling £28,023 (2023 - £24,326) were payable to the fund at the balance sheet date and are included in creditors.

19. Commitments under operating leases

At 30 June 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	30 June 2024 £	30 June 2023 £
Not later than 1 year	5,655	48,000
Later than 1 year and not later than 5 years	-	5,786
	<u>5,655</u>	<u>53,786</u>

20. Related party transactions

In line with the requirements of FRS102, the Company is not required to disclose transactions with group companies on the grounds that these companies are wholly owned within the Group.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, controlling and directing the activities of the Company. The remuneration of key management personnel during the period was £867,861 (6-month period ended 30 June 2023 - £392,647).

During the year, the Company employed close family members of the key management personnel with a total expense to the company of £32,362 (6-month period ended 30 June 2023 - £45,908).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024

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**21. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Eficode Group Oy, a company incorporated in Finland.

The ultimate parent entity is Eficode Holdings Oy, a company incorporated in Finland. This is the largest group preparing group accounts within which this entity is included. Copies of the consolidated financial statements can be obtained from Pohjoinen Rautatiekatu 25, 00100 Helsinki, Finland.

The smallest group preparing group accounts within which this entity is included is Eficode Group Oy. Copies of the consolidated financial statements can be obtained from Pohjoinen Rautatiekatu 25, 00100 Helsinki, Finland.

The director does not consider there to be an ultimate controlling party.