

MAGNITUDE SOFTWARE UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

MAGNITUDE SOFTWARE UK LIMITED

CONTENTS

	Page
Company information	1
Balance sheet	2
Notes to the financial statements	3 - 10

MAGNITUDE SOFTWARE UK LIMITED

COMPANY INFORMATION

Directors	D M Woodworth J-H F Liepe
Registered number	03426103
Registered office	59 St. Martin's Lane Suite 8 London England WC2N 4JS
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

MAGNITUDE SOFTWARE UK LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	13,489	6,197
Current assets			
Debtors: amounts falling due within one year	5	9,165,625	8,487,794
Cash at bank and in hand		615,605	135,144
		<u>9,781,230</u>	<u>8,622,938</u>
Creditors: amounts falling due within one year	6	(1,078,207)	(1,133,762)
Net current assets		<u>8,703,023</u>	<u>7,489,176</u>
Total assets less current liabilities		<u>8,716,512</u>	<u>7,495,373</u>
Creditors: amounts falling due after more than one year	7	-	(5,960)
Net assets		<u><u>8,716,512</u></u>	<u><u>7,489,413</u></u>
Capital and reserves			
Called up share capital		25,154,269	25,154,269
Share premium account		630,497	630,497
Other reserves		5,904,382	5,904,382
Profit and loss account		(22,972,636)	(24,199,735)
Total equity		<u><u>8,716,512</u></u>	<u><u>7,489,413</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A- small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

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

J-H F Liepe
Director

Date: 5 December 2023

The notes on pages 3 to 10 form part of these financial statements.

MAGNITUDE SOFTWARE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Magnitude Software UK Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is 59 St. Martin's Lane, Suite 8, London, England, WC2N 4JS.

The financial statements are presented in Sterling (£). Monetary amounts in these financial statements are rounded to the nearest £.

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 judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The company has received a letter of financial support from an intermediate parent company. After making enquiries and considering this letter of support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue from sales of perpetual software licences is recognised upon delivery to a customer when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered reasonably assured. In instances where a significant vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied. Maintenance fees are recognised over the period of the contract. Professional services, such as implementation, training and consultancy, are recognised when the services are performed.

2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

MAGNITUDE SOFTWARE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	over the length of the lease
Office equipment	-	33%
Computer equipment	-	33%

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.

2.5 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, and intercompany working capital balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.7 Share Capital

Ordinary shares are classified as equity.

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income' and 'interest payable and similar expenses'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

2.9 Operating leases: the company as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

2.10 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.

2.11 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.

2.12 Interest income

Interest income is recognised in profit or loss using the effective interest method.

MAGNITUDE SOFTWARE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

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

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

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including the directors, during the year was 6 (2021: 6).

MAGNITUDE SOFTWARE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2022	6,439
Additions	14,157
At 31 December 2022	20,596
Depreciation	
At 1 January 2022	242
Charge for the year	6,865
At 31 December 2022	7,107
Net book value	
At 31 December 2022	13,489
At 31 December 2021	6,197

MAGNITUDE SOFTWARE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Debtors

	2022 £	2021 £
Trade debtors	383,230	453,957
Amounts owed by group undertakings	8,492,650	7,539,315
Other debtors	4,141	144,198
Prepayments and accrued income	1,244	18,171
Deferred taxation	284,360	332,153
	<u>9,165,625</u>	<u>8,487,794</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

6. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	92,395
Amounts owed to group undertakings	133,540	-
Other taxation and social security	65,230	67,653
Other creditors	-	27
Accruals and deferred income	879,437	973,687
	<u>1,078,207</u>	<u>1,133,762</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

7. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Accruals and deferred income	<u>-</u>	<u>5,960</u>

8. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
25,154,269 (2021 - 25,154,269) Ordinary shares of £1.00 each	<u>25,154,269</u>	<u>25,154,269</u>

MAGNITUDE SOFTWARE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. 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 £21,427 (2021 - £20,925). Contributions totalling £nil (2021 - £3,814) were payable to the fund at the balance sheet date and are included in creditors.

10. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

11. Parent undertaking

The smallest group for which consolidated financial statements are drawn up is headed by GS Intermediate Inc. whose registered office is 251 Little Falls Drive, Wilmington, DE 19808, United States of America.

12. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 6 December 2023 by Simon Rothenberg (senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.