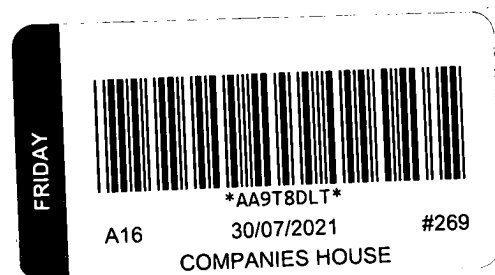


Registration number: 09901129

NAPIER TECHNOLOGIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



NAPIER TECHNOLOGIES LIMITED

CONTENTS

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 to 21

NAPIER TECHNOLOGIES LIMITED

COMPANY INFORMATION

Directors J A Dixon
R K Howard
R J Miller
N J Smith
S C Gray

Company secretary J A Dixon

Registered office 22 Charterhouse Square
London
EC1M 6DX

Auditors Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
GL51 0UX

NAPIER TECHNOLOGIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors of the company

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

J A Dixon

R K Howard

R J Miller

N J Smith

S C Gray (appointed 22 May 2020)

Principal activity

The principal activity of the company is business software development.

Business review

During the year, the company entered into an agreement to buy a customer base and relevant intellectual property from Refinitiv. Consideration comprises a revenue-sharing arrangement.

Going concern

The directors have prepared cash flow forecasts for the company for more than 12 months from the approval of these financial statements. After reviewing the company's forecasts, and on the assumption that the shareholders continue to support the company, which they have indicated an intention to continue to do so, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

In making this assessment the directors have considered the ongoing impact on the company of COVID-19.

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 29/07/2021 and signed on its behalf by:



.....
R K Howard
Director

NAPIER TECHNOLOGIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NAPIER TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NAPIER TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Napier Technologies Limited (the 'company') for the year ended 31 December 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A '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 31 December 2020 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.

Other matter

The financial statements of Napier Technologies Limited for the year ended 31 December 2019 were unaudited.

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 original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

NAPIER TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NAPIER TECHNOLOGIES LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company financial statements or that had a fundamental effect on the operations of the company. We determined that the most significant laws and regulations included UK Generally Accepted Accounting Standards, UK Companies Act 2006 and taxation laws;
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of the management, and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

NAPIER TECHNOLOGIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NAPIER TECHNOLOGIES LIMITED

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- identifying and testing journal entries, in particular any journal entries with unusual characteristics.

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

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.

.....
Paul Fussell (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 29/07/2021

NAPIER TECHNOLOGIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover		6,696,618	758,013
Cost of sales		<u>(1,300,918)</u>	<u>(181,156)</u>
Gross profit		5,395,700	576,857
Administrative expenses		<u>(5,370,597)</u>	<u>(2,193,537)</u>
Operating profit/(loss)		25,103	(1,616,680)
Finance income	5	979,138	-
Finance costs		<u>(748,059)</u>	<u>(77,612)</u>
Profit/(loss) before tax	4	256,182	(1,694,292)
Taxation	6	<u>191,958</u>	<u>530,941</u>
Profit/(loss) for the financial year		<u>448,140</u>	<u>(1,163,351)</u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 11 to 21 form an integral part of these financial statements.

NAPIER TECHNOLOGIES LIMITED

**(REGISTRATION NUMBER: 09901129)
BALANCE SHEET AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	8	14,186,488	2,003,108
Tangible assets	9	107,792	27,196
Investments	10	51	-
		<u>14,294,331</u>	<u>2,030,304</u>
Current assets			
Debtors	11	1,593,501	774,256
Cash at bank and in hand		<u>3,005,939</u>	<u>180,195</u>
		4,599,440	954,451
Creditors: Amounts falling due within one year	12	<u>(3,111,797)</u>	<u>(471,149)</u>
Net current assets		<u>1,487,643</u>	<u>483,302</u>
Total assets less current liabilities		15,781,974	2,513,606
Creditors: Amounts falling due after more than one year	12	(5,514,315)	(2,300,000)
Provisions	14	(9,589,525)	-
Deferred tax liabilities	7	<u>(16,388)</u>	<u>-</u>
Net assets		<u>661,746</u>	<u>213,606</u>
Capital and reserves			
Called up share capital	16	124	124
Share premium reserve		2,377,976	2,377,976
Profit and loss account		<u>(1,716,354)</u>	<u>(2,164,494)</u>
Total equity		<u>661,746</u>	<u>213,606</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on ^{29/07/2021} and signed on its behalf by:



.....
R K Howard
Director

The notes on pages 11 to 21 form an integral part of these financial statements.

NAPIER TECHNOLOGIES LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2020	124	2,377,976	(2,164,494)	213,606
Profit for the year	-	-	448,140	448,140
At 31 December 2020	<u>124</u>	<u>2,377,976</u>	<u>(1,716,354)</u>	<u>661,746</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2019	124	2,377,976	(1,001,143)	1,376,957
Loss for the year	-	-	(1,163,351)	(1,163,351)
At 31 December 2019	<u>124</u>	<u>2,377,976</u>	<u>(2,164,494)</u>	<u>213,606</u>

The notes on pages 11 to 21 form an integral part of these financial statements.

NAPIER TECHNOLOGIES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit/(loss) for the year		448,140	(1,163,351)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		2,093,555	717,522
Finance income		(979,138)	-
Finance costs		748,059	77,612
Income tax expense		<u>(191,958)</u>	<u>(530,941)</u>
		2,118,658	(899,158)
Working capital adjustments			
Increase in debtors	11	(1,014,714)	(156,368)
Increase in creditors		<u>1,464,061</u>	<u>109,983</u>
Cash generated from operations		2,568,005	(945,543)
Income taxes received		<u>403,815</u>	<u>361,916</u>
Net cash flow from operating activities		<u>2,971,820</u>	<u>(583,627)</u>
Cash flows from investing activities			
Investment in subsidiary entities		(51)	-
Acquisitions of tangible assets		(105,224)	(26,714)
Acquisition of intangible assets	8	<u>(2,552,155)</u>	<u>(1,538,004)</u>
Net cash flows from investing activities		<u>(2,657,430)</u>	<u>(1,564,718)</u>
Cash flows from financing activities			
Interest paid		(374,574)	(77,612)
Proceeds from other borrowing draw downs		5,000,000	2,300,000
Repayment of other borrowing		<u>(2,114,072)</u>	<u>(581,819)</u>
Net cash flows from financing activities		<u>2,511,354</u>	<u>1,640,569</u>
Net increase/(decrease) in cash and cash equivalents		2,825,744	(507,776)
Cash and cash equivalents at 1 January		<u>180,195</u>	<u>687,971</u>
Cash and cash equivalents at 31 December		<u><u>3,005,939</u></u>	<u><u>180,195</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements.

NAPIER TECHNOLOGIES LIMITED

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

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
22 Charterhouse Square
London
EC1M 6DX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern

The directors have prepared cash flow forecasts for the company for more than 12 months from the approval of these financial statements. After reviewing the company's forecasts, and on the assumption that the shareholders continue to support the company, which they have indicated an intention to continue to do so, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

In making this assessment the directors have considered the ongoing impact on the company of COVID-19.

Exemption from preparing group accounts

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small group.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

Judgements

No significant judgements have been made by management in preparing these financial statements.

NAPIER TECHNOLOGIES LIMITED

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

Key sources of estimation uncertainty

Certain intellectual property, customer contracts and goodwill is capitalised and recognised as the net present value of amounts payable over a period until April 2022 over which the company is expected to benefit from the asset. The corresponding entry has been recognised as deferred consideration on acquisition of these intangibles. In performance of the review of the carrying value the directors consider estimates of future sales expected to be achieved, as well as the discount factor used in the calculation, a change in which could have a material effect on the future results of the company. Whilst the directors are comfortable that the assumptions used in the calculation of the carrying value of the intangible assets and deferred consideration are based on current expectations, a small change in the assumptions could give rise to a requirement for an adjustment to the carrying value of intangible assets and the deferred consideration.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Revenue from licences, hosting, support and maintenance is deferred over the term of the agreement. Revenue from other services is recognised in the period in which services are rendered.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses that relate to deferred consideration and cash and cash equivalents are presented in profit or loss within finance income or costs. All other foreign exchange gains and losses are presented in profit or loss within administrative expenses.

Tax

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

NAPIER TECHNOLOGIES LIMITED

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

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	33.33% of cost per annum

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Development costs

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the company is expected to benefit. Provision is made for any impairment.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development costs	33.33% of cost per annum
Intellectual property	10% of cost per annum
Goodwill	10% of cost per annum
Customer contracts	10% of cost per annum

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimate recoverable value of the asset has reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

NAPIER TECHNOLOGIES LIMITED

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NAPIER TECHNOLOGIES LIMITED

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

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was as follows:

	2020	2019
	No.	No.
Employees	30	12
Contractors	21	17
	<u>51</u>	<u>29</u>

4 Profit before tax

Arrived at after charging:

	2020	2019
	£	£
Depreciation expense	24,628	11,888
Amortisation expense	2,068,927	705,634
Foreign exchange (gains) / losses	<u>147,920</u>	<u>3,348</u>

NAPIER TECHNOLOGIES LIMITED

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

5 Finance income

	2020	2019
	£	£
Foreign currency gains	<u>979,138</u>	<u>-</u>

Finance income comprises a foreign currency gain which arises on the retranslation of deferred consideration at the balance sheet date.

6 Taxation

Tax charged/(credited) in the profit and loss account

	2020	2019
	£	£
Current taxation		
UK corporation tax	<u>(304,244)</u>	<u>(403,815)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	123,568	(127,126)
Arising from changes in tax rates and laws	<u>(11,282)</u>	<u>-</u>
Total deferred taxation	<u>112,286</u>	<u>(127,126)</u>
Tax receipt in the profit and loss account	<u>(191,958)</u>	<u>(530,941)</u>

7 Deferred tax

Deferred tax assets and liabilities

	Liability
	£
2020	
Fixed asset timing differences	(500,719)
Short term timing differences	5,701
Losses and other timing differences	<u>478,630</u>
	<u>(16,388)</u>
	Asset
	£
2019	
Fixed asset timing differences	(337,360)
Short term timing differences	5,011
Losses and other timing differences	<u>428,247</u>
	<u>95,898</u>

NAPIER TECHNOLOGIES LIMITED

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

8 Intangible assets

	Goodwill £	Customer contracts £	Intellectual property £	Development costs £	Total £
Cost					
At 1 January 2020	-	-	-	2,863,121	2,863,121
Additions acquired separately	<u>833,584</u>	<u>942,854</u>	<u>10,668,835</u>	<u>1,807,034</u>	<u>14,252,307</u>
At 31 December 2020	<u>833,584</u>	<u>942,854</u>	<u>10,668,835</u>	<u>4,670,155</u>	<u>17,115,428</u>
Amortisation					
At 1 January 2020	-	-	-	860,013	860,013
Amortisation charge	<u>102,357</u>	<u>59,058</u>	<u>668,270</u>	<u>1,239,242</u>	<u>2,068,927</u>
At 31 December 2020	<u>102,357</u>	<u>59,058</u>	<u>668,270</u>	<u>2,099,255</u>	<u>2,928,940</u>
Carrying amount					
At 31 December 2020	<u>731,227</u>	<u>883,796</u>	<u>10,000,565</u>	<u>2,570,900</u>	<u>14,186,488</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,003,108</u>	<u>2,003,108</u>

Intellectual property has been fair valued based on forecast sales of the relevant products over a period until April 2022, using a discount factor equivalent to the Company's weighted average cost of capital and capitalised as an intangible asset.

NAPIER TECHNOLOGIES LIMITED

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

9 Tangible assets

	Computer equipment £
Cost	
At 1 January 2020	52,036
Additions	105,224
Disposals	<u>(5,585)</u>
At 31 December 2020	<u>151,675</u>
Depreciation	
At 1 January 2020	24,840
Charge for the year	24,628
Eliminated on disposal	<u>(5,585)</u>
At 31 December 2020	<u>43,883</u>
Carrying amount	
At 31 December 2020	<u>107,792</u>
At 31 December 2019	<u>27,196</u>

10 Investments

	2020 £	2019 £
Investments in subsidiaries	<u>51</u>	<u>-</u>
Subsidiaries		£
Cost		
Additions		<u>51</u>
At 31 December 2020		<u>51</u>
Carrying amount		
At 31 December 2020		<u>51</u>

NAPIER TECHNOLOGIES LIMITED

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

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Napier Technologies Pte Ltd	160 Robinson Road, #14-04, Singapore, 068914	Ordinary	100%	0%
Napier Technologies Pty Ltd	Stanley & Williamson, Level 1, 34 Burton Street, Kirribilli, NSW, 2061	Ordinary	100%	0%
Napier Technologies (US) Inc	251 Little Falls Drive, Wilmington, New Castle County, Delaware, 19808	Ordinary	100%	0%

Subsidiary undertakings

Napier Technologies Pte Ltd

The principal activity of Napier Technologies Pte Ltd is business and domestic software development.

Napier Technologies Pty Ltd

The principal activity of Napier Technologies Pty Ltd is business and domestic software development.

Napier Technologies (US) Inc

The principal activity of Napier Technologies (US) Inc is business and domestic software development.

11 Debtors

	2020 £	2019 £
Trade debtors	757,965	142,723
Amounts owed by group undertakings	14,918	-
Other debtors	151,412	33,308
Prepayments	365,046	98,596
Deferred tax assets	-	95,898
Corporation tax asset	304,160	403,731
	<u>1,593,501</u>	<u>774,256</u>

NAPIER TECHNOLOGIES LIMITED

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

12 Creditors

	2020 £	2019 £
Due within one year		
Trade creditors	463,562	76,505
Amounts due to group undertakings	316,173	-
Social security and other taxes	318,834	68,912
Outstanding defined contribution pension costs	17,975	6,468
Other creditors	580,633	49,318
Accrued expenses	398,796	16,549
Deferred income	1,015,824	253,397
	<u>3,111,797</u>	<u>471,149</u>

Amounts due to and from group undertakings are repayable on demand.

	Note	2020 £	2019 £
Due after one year			
Loans and borrowings	13	<u>5,514,315</u>	<u>2,300,000</u>

13 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Other borrowings	<u>5,514,315</u>	<u>2,300,000</u>

Other borrowings of £204,351 (2019 - £2,300,000) relate to convertible loan notes. During the year, £2,116,059 of loan notes have been redeemed in full, plus a redemption fee and accrued interest. The remaining £183,941 may be redeemed at redemption dates until June 2022 or converted to equity. The facility attracts interest at a rate of 10% per annum. During the year, interest of £123,695 (2019 - £24,575) has been charged, £20,410 of which is included in the other borrowings balance.

Other borrowings of £5,309,964 (2019 - £nil) comprise convertible loan notes under a £6million instrument. These loans notes are repayable on the earlier of: 1) completion of a transaction which changes control, 2) April 2024; or 3) in the event of a material breach. Alternatively, the loan notes can be converted to equity on completion of a fundraise. The facility attracts interest at a rate of 10% per annum. During the year, interest of £355,062 (2019 - £nil) has been accrued, £309,964 of which has been converted to debt and is included in the other borrowings balance. The remaining £45,098 is due to be paid in 2021 and is held in accruals.

The loan instruments are secured by a fixed and floating charge over the assets of the company.

14 Provisions

	Deferred consideration £
Additional provisions	12,290,613
Provisions used	(1,721,950)
Decrease due to foreign exchange differences	<u>(979,138)</u>
At 31 December 2020	<u>9,589,525</u>

NAPIER TECHNOLOGIES LIMITED

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

The provision for deferred consideration arose on the acquisition of assigned intellectual property rights, customer contracts and goodwill acquired during 2020 which are payable over a period until April 2022. Intellectual property rights, customer contracts and goodwill have been capitalised as an intangible fixed asset (see note 8).

15 Reserves

Called up share capital

This represents the nominal value of the issued share capital.

Retained earnings

This represents the cumulative profits or losses, net of dividends and other adjustments.

16 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.0001 each	<u>1,237,800</u>	<u>123.78</u>	<u>1,237,800</u>	<u>123.78</u>

17 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

At 31 December 2020, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £237,322 (2019 - £nil).

18 Related party transactions

During the year, the company have had the following related party transactions.

Entities under common control

During the year the company made purchases of £359,796 (2019 - £40,954) from companies under common control. At the balance sheet date, the amount due to entities under common control was £59,512 (2019 - £9,148).

Balances with group undertakings are disclosed in note 11 and 12 to these financial statements.

19 Parent and ultimate parent undertaking

The directors do not consider there to be a controlling party.