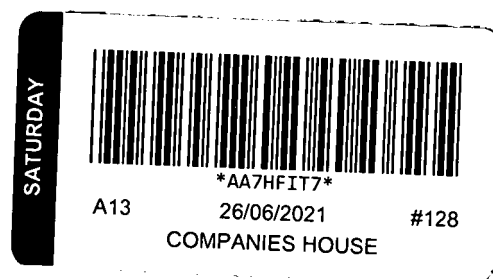


Acturis Limited

Annual report and financial statements

Registered number 03998084

30 September 2020



Acturis Limited

Annual report and financial statements for the year ended 30 September 2020

Contents

Directors and advisers	1
Strategic report	2-3
Directors' report	4-5
Statement of directors' responsibilities in respect of the directors' report and the financial statements	6
Independent auditor's report to the members of Acturis Limited	7-9
Profit and loss account	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13-42

Acturis Limited

Directors and advisers

Directors

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

Registered number

03998084

Registered office

Courtyard Suite
100 Hatton Garden
London
EC1N 8NX

Independent auditors

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Acturis Limited

Strategic report for the year ended 30 September 2020

Principal activities

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

Business review

The directors are pleased to report a year of continued development of the Company. During the year to 30 September 2020 the Company:

- Increased revenues by 13% to £70.9m (2019 restated: £62.9m);
- Increased operating profit by 25% to £36.8m (2019 restated: £29.4m);

The Company is pleased to report that it had £29.2m of cash at bank at the financial year end and during the year recurring revenues represented over 78% of total revenue. We enter the new financial year with a robust financial position and a good pipeline of business opportunities.

The Company has moved from FRS 102 to FRS 101 and the impact of this on the previously recorded profit loss, balance sheet and reserves can be seen on note 24.

Key performance indicators

Given the nature and size of the Company, the key performance indicators are the number of Acturis system users; system performance and availability; customer support performance; revenue growth and EBITDA margin.

Risks and uncertainties

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

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

Acturis Limited

Strategic report for the year ended 30 September 2020 (continued)

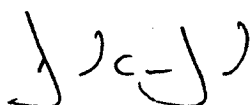
Risks and uncertainties (continued)

- Attracting and retaining talent: Acturis has built its reputation on the quality of its people and the future success of the business is dependent on being able to recruit, retain and develop new talent. Senior management spend a significant percentage of their time identifying, interviewing, recruiting and coaching young talent in all areas of our business.
- Brexit: Acturis continues to monitor the UK's implementation of Brexit in the face of continued political uncertainty. Based on the information currently available, we do not consider that Brexit will substantially impact the Company's operations, colleagues and supply chain, or its ability to continue delivering services to customers in future. We will continue to monitor for changes by the UK Government in the law and regulations pertaining to insurance, IT services and data protection that may require future changes to the Company's operations.
- Coronavirus: the global COVID-19 epidemic creates operational and financial risks and uncertainties from which the Company is not immune. However, our entire operation is capable of being operated remotely and by mid-March 2020 all Company employees were moved to a work from home basis with no material impact on client service or delivery of client projects. The Acturis System, being a Software as a Service (SaaS) platform, is ideally positioned to allow our broker and insurer clients to work from anywhere. Our biggest risk from COVID-19 is that the general economic impact causes a deep and long-lasting economic recession which results in widespread business insolvency, particularly among SMEs. Such a scenario would see a period of reduced user numbers and transaction volumes and therefore reduced revenue for the Company. The Company has modelled various stress test scenarios and we have contingency plans in place to reduce costs to ensure continued profitable operations. The company also has sufficient cash resources and bank facilities to weather any deeper crisis and allow time to adapt the cost base to the evolving crisis.

Outlook

In the near term, the Company has adapted to the threat of COVID-19 and has adequate plans in place to survive the crisis. Longer term, Acturis is well positioned to support underwriters, brokers and other distributors in developing integrated, efficient, multi-channel propositions. We will continue to support and invest in initiatives to drive electronic integration between brokers and insurers and to enable process automation where beneficial to our customers.

By order of the board



David McDonald
Director

Courtyard Suite
100 Hatton Garden
London
EC1N 8NX

19 March 2021

Acturis Limited

Directors' report for the year ended 30 September 2020

The directors present their annual report and audited financial statements for the year ended 30 September 2020.

Directors

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

David McDonald
Theodore Sam Duchon
Anthony Peter Goddard
Shailesh Bhatia
Thomas Edward Walter Stuart
Jim Lorimer
Jeff McCracken
Hayden Parra
Mark Lloyd Davies (appointed 4 May 2020)
Oliver Ian David Clark (resigned 13 December 2019)

Proposed dividend

During the year, the company paid a dividend of £Nil (2019: £97,796,003). Post year end on 27 October 2020 the company paid a dividend to ordinary shareholders of £5.0327 per ordinary share totalling £10,000,000. On 26 January 2021 the company declared a dividend to ordinary shareholders of £8.0608 per ordinary share totalling £16,016,859.

Directors' interests in shares

The Company has taken advantage of the repeal of the requirement for Directors to disclose their interests and those of their families in the shares of the Company as introduced by the Companies Act 2006 (s 1295 and SI 2007/1093).

Colleagues

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

Political and Charitable Contributions

£1,708 (2019: £2,998) was donated to charitable organisations during the year.

Acturis Limited

Directors' report for the year ended 30 September 2020 (continued)

Post balance sheet events

Post balance sheet events are disclosed in Note 28 to the accounts.

Research and development

During the year the company invested £12,750,296 (2019: £11,696,344) in the development of the Acturis System and its associated technologies. Where software development expenditure meets the recognition criteria it is capitalised as an asset and amortised over its useful life. Other research and development expenditure is written off as incurred.

Disclosure of information to auditor

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

Auditor

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

By order of the board



David McDonald
Director

Courtyard Suite
100 Hatton Garden
London
EC1N 8NX

19 March 2021

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTURIS LIMITED

Opinion

We have audited the financial statements of Acturis Limited ("the company") for the year ended 30 September 2020 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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


Auditor's responsibilities

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

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

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

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



David Benson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

23 March 201

Acturis Limited

Profit and Loss account for the year ended 30 September 2020

	Note	2020 £	2019 (Restated*) £
Turnover	2	70,913,943	62,889,988
Administrative expenses		<u>(34,201,446)</u>	<u>(33,521,635)</u>
Operating profit	4	36,712,497	29,368,353
Gains on Disposals	6	64,268,265	-
Interest receivable and similar income	7	4,811,825	1,494,654
Lease liability interest	19	<u>(102,827)</u>	<u>(132,224)</u>
Profit before taxation		105,689,760	30,730,783
Taxation on profit	8	<u>(6,133,190)</u>	<u>(6,244,047)</u>
Profit for the financial year		<u>99,556,570</u>	<u>24,486,736</u>

Operating profit is derived entirely from continuing operations.

The notes on pages 13 to 42 form part of these financial statements.

**See Note 24*

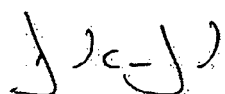
Acturis Limited

Balance sheet as at 30 September 2020

	Note	2020 £	2019 (Restated*) £
Fixed assets			
Intangible assets	10	13,879,058	11,962,626
Tangible assets	11	3,641,744	4,569,708
Investment in subsidiary	12	22,097,116	2,203,335
		<u>39,617,918</u>	<u>18,735,669</u>
Current assets			
Debtors (including £61,159,011 (2019: £535,989) due after more than one year)	13	74,337,272	16,312,524
Cash at bank and in hand	14	29,164,141	3,768,131
		<u>103,501,413</u>	<u>20,080,655</u>
Creditors: amounts falling due within one year	15	<u>(29,597,561)</u>	<u>(26,037,687)</u>
Net current assets/(liabilities)		73,903,852	(5,957,032)
Total assets less current liabilities		113,521,770	12,778,637
Long term liabilities			
Creditors: falling due after more than one year	16	<u>(11,246,445)</u>	<u>(10,066,921)</u>
Net assets		102,275,325	2,711,716
Capital and reserves			
Called up share capital	17	1,987	1,987
Share premium account	18	5,083,612	5,083,612
Capital redemption reserve	18	2,131	2,131
Capital contribution reserve	18	694,627	687,588
Profit and loss account	18	96,492,968	(3,063,602)
Total shareholder's funds		102,275,325	2,711,716

The notes on pages 13 to 42 form part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors on 19 March 2021 and were signed on its behalf by:



David McDonald
Director

Company registered number: 03998084

*See Note 24

Acturis Limited

Statement of changes in equity for the Year Ended 30 September 2020

	Called up Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Capital contribution reserve £	Total £
At 1 October 2018	1,987	5,083,612	2,131	77,112,122	3,250,037	85,449,889
Adjustment on initial application of FRS 101 (note 24)	-	-	-	(11,106,376)	-	(11,106,376)
At 1 October 2018 (Restated)	1,987	5,083,612	2,131	66,005,746	3,250,037	74,343,513
Profit for the year (restated)	-	-	-	24,486,736	-	24,486,736
Share based payments	-	-	-	-	1,677,470	1,677,470
Transfer of share based payment reserves	-	-	-	4,239,919	(4,239,919)	-
Dividends paid	-	-	-	(97,796,003)	-	(97,796,003)
At 30 September 2019 (as restated)	1,987	5,083,612	2,131	(3,063,602)	687,588	2,711,716
Profit for the year	-	-	-	99,556,570	-	99,556,570
Share based payments	-	-	-	-	7,039	7,039
At 30 September 2020	1,987	5,083,612	2,131	96,492,968	694,627	102,275,325

The notes on pages 13 to 43 form part of these financial statements.

Notes to the financial statements for the year ended 30 September 2020

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements prepared for the period to 30 September 2020:

a) Basis of preparation

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Historically the Company reported under Financial Reporting Standard 102. The Accounting Standard applicable in the United Kingdom and Ireland ('FRS 102') and the Companies Act 2006. In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 24.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. No such exemptions were applied in the transition from FRS 102 to FRS 101.

IFRS 15 and IFRS 16 have been adopted as part of the transition to FRS 101. In accordance with IFRS 1, these standards have been applied retrospectively to the period ended 30 September 2018. The impact of this retrospective application is shown in note 24.

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

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

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Principal accounting policies (continued)

a) Basis of preparation (continued)

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

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

b) Going concern

The Company made a profit of £99,556,570 (2019: £24,486,736), has net assets of £102,275,325 (2019: £2,711,716), net current assets of £73,903,852 (2019: liabilities of £5,957,032) and cash of £29,164,141 (2019: £3,768,131).

The accounts have been prepared on a going concern basis as the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the directors have considered the status of the Company, its financial position and future prospects.

In particular, regard has been given to the uncertainties relating to: (1) the general economic outlook; (2) the exit of the UK from the EU; (3) impact of the COVID-19 crisis on the Company, its customers and the general economy; (4) the market in which the Company operates; and (5) the particular risks described in the report to which the Company is exposed. From these risks, the directors consider that the impact of COVID-19 and subsequent economic downturns represent the most significant risks for the Company.

The directors have considered the financial budgets and forecasts prepared for a period to September 2022 in relation to the Company's activities, which includes the use of downside sensitivities to model a significant but plausible downside scenario due to COVID-19 and the funding available to the Company. These demonstrate the company will be able to operate within its available cash resources throughout the forecast period.

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

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Principal accounting policies (continued)

c) Tangible fixed assets

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

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

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

- Fixture and fittings 3 years
- Computer Equipment 3 years

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

d) Intangible fixed assets

Internal software research and development

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

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

Purchased software

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

Other intangible assets

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

Acturis Limited

1 Principal accounting policies (continued)

d) Intangible fixed assets (continued)

Amortisation

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

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

e) Impairment of tangible and intangible assets

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

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

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

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

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

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Principal accounting policies (continued)

f) Turnover

The Company generates its revenue principally through the supply of:

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

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

Software as a service fees

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

Professional services

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

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

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

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Principal accounting policies (continued)

g) Taxation

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

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

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

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

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

h) Leases

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

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

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Principal accounting policies (continued)

h) Leases (continued)

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

Recognition:

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

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

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

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

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

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

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

Short-term leases and leases of low value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised on a straight-line basis over the lease term.

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Principal accounting policies (continued)

i) Operating leases

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

j) Financial Instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

Financial assets

(a) Classification

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

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

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

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

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

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

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

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Principal accounting policies (continued)

j) Financial Instruments (continued)

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

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

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

(b) Subsequent measurement and gains and losses

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

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

Financial liabilities and equity

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

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

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Principal accounting policies (continued)

j) Financial Instruments (continued)

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

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

(c) *Intra-group financial instruments*

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

(d) *Impairment*

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

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

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

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

**Notes to the financial statements
for the year ended 30 September 2020 (continued)**

1 Principal accounting policies (continued)

j) Financial instruments (continued)

Classification of financial instruments issued by the Company

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

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

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

Non-derivative financial instruments

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

Trade and other receivables

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

Trade and other payables

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

Cash and cash equivalents

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

Interest-bearing borrowings

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

Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes to the financial statements for the year ended 30 September 2020 (continued)

1 Principal accounting policies (continued)

k) Employee benefits

Defined contribution plans

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

Short-term benefits

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

Share-based payment transactions

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

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

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

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

2 Turnover

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

	2020	2019
	£	£
Software as a service fees	54,901,542	49,184,509
Professional services fees	16,012,401	13,705,479
	<u>70,913,943</u>	<u>62,889,988</u>

	2020	2019
	£	£
Geographic market		
United Kingdom	69,694,372	61,989,509
Other countries	1,219,571	900,479
	<u>70,913,943</u>	<u>62,889,988</u>

Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers. The company recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balances at 1 October 2018.

	2020	2019
	£	£
Trade Debtors	7,120,615	8,457,031
Contract assets	1,262,591	1,372,687
Contract liabilities	17,743,731	17,591,869

The value of contract assets settled in the current period from performance obligations satisfied (or partially satisfied) in previous periods was £1,372,687.

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £11,495,334.

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

3 Remuneration of directors and staff costs

	2020	2019
	£	£
Directors' emoluments including social security costs		
Emoluments inclusive of benefits in kind	1,924,823	1,892,856
Pension contributions	<u>15,772</u>	<u>11,050</u>
	<u>1,940,595</u>	<u>1,903,906</u>
Emoluments of the highest paid director including social security costs		
Emoluments inclusive of benefits in kind	280,022	275,270
Pension contributions	<u>1,752</u>	<u>1,381</u>
	<u>281,774</u>	<u>276,651</u>
	No.	No.
Average number of persons employed during the year		
Software design, development and implementation	272	251
Project management, training and data migration	21	23
System operations and customer support	68	64
Sales, administration and management	<u>26</u>	<u>24</u>
	<u>387</u>	<u>362</u>
Staff costs (including directors)	2020	2019
	£	£
Wages and salaries	19,004,734	17,367,706
Other employee benefits (including share based payments)	7,039	1,677,470
Social security costs	2,172,053	2,007,779
Pension costs	<u>491,360</u>	<u>363,796</u>
	<u>21,675,186</u>	<u>21,416,751</u>

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

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

4 Operating profit

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

	2020	2019
	£	£
Auditor's remuneration in relation to the statutory audit of Acturis Limited	35,600	26,400
Amortisation of intangible fixed assets (see note 10)	4,719,492	3,629,148
Depreciation of tangible fixed assets (see note 11)	1,832,544	1,204,121
Leases outside the scope of IFRS 16	357,604	370,024

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

	2020	2019
	£	£
Development expenditure expensed as incurred	6,877,216	6,483,490
Development expenditure capitalised (see note 10)	5,873,080	5,212,854
Total development expenditure for the period	<u>12,750,296</u>	<u>11,696,344</u>

5 Auditors' remuneration

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

6 Gain on Disposals

On 20 December 2019, the Company sold Acturis Deutschland GmbH to Bidinsure Deutschland GmbH (later renamed to Acturis Deutschland GmbH) for €78,000,000 resulting in a gain of €74,975,000, translating to £64,268,265.

7 Interest receivable and similar income

	2020	2019
	£	£
Interest receivable		
Interest income on bank deposits	59,568	254,778
Inter-company interest income	4,752,257	1,239,876
Total interest receivable	<u>4,811,825</u>	<u>1,494,654</u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

8 Taxation

The corporation tax charge for the year ended 30 September 2020 is £6,133,190 (2019: £6,244,047). The main rates of 19% (2018: 19%) were used in the computation of the corporation tax charge.

The company has no (2019: £nil) tax losses available to offset against future profits.

	2020	2019
	£	£
Analysis of charge in the year		
Current tax charge	5,360,417	6,415,770
Adjustment in respect of prior years	-	5,135
Total current taxation	<u>5,360,417</u>	<u>6,420,905</u>
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	62,255	50,957
Change in tax rates	(114,496)	30,003
Adoption of FRS 101	825,014	(257,818)
Deferred tax expense	<u>772,773</u>	<u>(176,858)</u>
Tax expense in income statement	<u>6,133,190</u>	<u>6,244,047</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2019: higher) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below.

	2020	2019
	£	£
Reconciliation of effective tax rate		
Profit before tax	105,689,760	30,730,783
Tax using the UK corporation tax rate of 19% (2019: 19%)	20,081,054	5,838,849
Effects of:		
Tax exempt gains	(12,210,970)	-
Adoption of FRS 101	(1,625,763)	24,406
Non deductible expenses	3,365	345,654
Change in tax rates	(114,496)	30,003
Adjustment in respect of prior year	-	5,135
Tax expense	<u>6,133,190</u>	<u>6,244,047</u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

8 Taxation (continued)

Deferred Tax Asset

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Tangible fixed assets	220,426	255,029	-	-	220,426	255,029
Adoption of FRS 101	-	738,170	-	-	-	738,170
Tax assets	<u>220,426</u>	<u>993,199</u>	<u>-</u>	<u>-</u>	<u>220,426</u>	<u>993,199</u>

Movement in deferred tax during the year

	1 October 2019	Recognised in income	30 September 2020
	£	£	£
Tangible fixed assets	255,029	(34,603)	220,426
Adoption of FRS 101	738,170	(738,170)	-
	<u>993,199</u>	<u>(772,773)</u>	<u>220,426</u>

Movement in deferred tax during the prior year

	1 October 2018	Recognised in income	30 September 2019
	£	£	£
Tangible fixed assets	335,989	(80,960)	255,029
Adoption of FRS 101	480,352	257,818	738,170
	<u>816,341</u>	<u>176,858</u>	<u>993,199</u>

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This increased the company's tax charge accordingly. The deferred tax asset at 30 September 2020 has been calculated at 19% (2019: 17%).

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the group's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the net deferred tax asset would have increased by £69,608.

9 Dividends

During the year, the company paid a dividend of £Nil (2019: 97,796,003). After the balance sheet date dividends of £5.0327 and £8.0608 per qualifying ordinary share (2019: £nil) were proposed by the directors. The dividends have not been provided for. See note 26 for further details.

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

10 Intangible fixed assets

	Licenses	Trademarks	Internally developed software	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	5,930,701	-	19,062,927	24,993,628
Additions	732,717	30,127	5,873,080	6,635,924
At end of year	<u>6,663,418</u>	<u>30,127</u>	<u>24,936,007</u>	<u>31,629,552</u>
<i>Amortisation</i>				
At beginning of year	4,928,494	-	8,102,508	13,031,002
Charge for the year	481,050	1,959	4,236,483	4,719,492
At end of year	<u>5,409,544</u>	<u>1,959</u>	<u>12,338,991</u>	<u>17,750,494</u>
<i>Carrying value</i>				
At 30 September 2020	<u>1,253,874</u>	<u>28,168</u>	<u>12,597,016</u>	<u>13,879,058</u>
At 30 September 2019	<u>1,002,207</u>	<u>-</u>	<u>10,960,419</u>	<u>11,962,626</u>

11 Tangible fixed assets

	Right-of-use asset	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
<i>Cost</i>				
At 1 October 2019	3,707,814	1,243,885	10,957,533	15,909,232
Additions	-	47,251	945,967	993,218
At 30 September 2020	<u>3,707,814</u>	<u>1,291,136</u>	<u>11,903,499</u>	<u>16,902,450</u>
<i>Depreciation</i>				
At 1 October 2019	833,010	930,021	9,576,493	11,339,524
Charge for the year	847,893	172,066	901,223	1,921,182
At 30 September 2020	<u>1,680,903</u>	<u>1,102,087</u>	<u>10,477,716</u>	<u>13,260,706</u>
<i>Carrying value</i>				
At 30 September 2020	<u>2,026,911</u>	<u>189,049</u>	<u>1,425,783</u>	<u>3,641,744</u>
At 30 September 2019	<u>2,874,804</u>	<u>313,864</u>	<u>1,381,040</u>	<u>4,569,708</u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

12 Investment in subsidiary

	Investment in Subsidiary £
<i>Cost</i>	
At beginning of period	2,203,335
Additions	22,097,116
Disposals	<u>(2,203,335)</u>
At 30 September 2020	<u>22,097,116</u>

On 24/09/19 Acturis Limited incorporated Bidinsure Deutschland GmbH with an initial share capital of £21,306. On 20 December 2019, the Company sold Acturis Deutschland GmbH to Bidinsure Deutschland GmbH (later renamed to Acturis Deutschland GmbH) for €78,000,000. This intercompany receivable was then subject to a partial debt to equity swap on 15/01/20 which increased the investment in subsidiary by £22,075,811. The balance of the receivable (£49,111,405) remains outstanding at 30 September 2020.

The company has the following investments in subsidiaries:

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

The registered office address of each subsidiary is as follows:

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

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

13 Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	7,120,615	8,457,031
Deferred tax asset (see note 8)	220,426	993,199
Other debtors	281,823	20,818
Corporation tax	2,784,480	3,683,474
Prepayments and contract assets	2,991,343	2,877,042
Amount due from other group undertakings	60,938,585	280,960
	<u>74,337,272</u>	<u>16,312,524</u>
Due within one year	13,178,261	15,038,365
Due after more than one year	<u>61,159,011</u>	<u>1,274,159</u>
	<u>74,337,272</u>	<u>16,312,524</u>

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

14 Cash at bank and in hand

	2020 £	2019 £
Current accounts	313,379	537,332
Deposit accounts	<u>28,850,762</u>	<u>3,230,799</u>
	<u>29,164,141</u>	<u>3,768,131</u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,357,784	1,251,345
Other creditors	2,626,677	3,102,226
Accruals	2,636,985	2,372,061
VAT payable	4,672,123	516,221
Contract liabilities	8,834,653	11,495,334
Amounts due to group undertakings	7,061,706	5,954,027
Taxation and social security	541,828	506,272
Lease liability (note 19)	865,805	840,203
	<u>29,597,561</u>	<u>26,037,687</u>

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

16 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	1,040,122	1,807,333
Contract liabilities	8,909,077	6,096,536
Lease liability (note 19)	1,297,246	2,163,052
	<u>11,246,445</u>	<u>10,066,921</u>

17 Called up share capital

	2020	2019
	£	£
Authorised 6,703,769,000 ordinary shares of £0.001 each	<u>6,703,769</u>	<u>6,703,769</u>
Allotted, called up and fully paid 1,987,020 ordinary shares of £0.001 each	<u>1,987</u>	<u>1,987</u>
Shares classed as shareholders' funds	<u>1,987</u>	<u>1,987</u>

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

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

18 Reserves

	Called up Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Capital contribution reserve £	Total £
At 1 October 2018	1,987	5,083,612	2,131	77,112,122	3,250,037	85,449,889
Adjustment on initial application of FRS 101 (note 24)	-	-	-	(11,106,376)	-	(11,106,376)
At 1 October 2018 (Restated)	1,987	5,083,612	2,131	66,005,746	3,250,037	74,343,513
Profit for the year (restated)	-	-	-	24,486,736	-	24,486,736
Share based payments	-	-	-	-	1,677,470	1,677,470
Transfer of share based payment reserves	-	-	-	4,239,919	(4,239,919)	-
Dividends paid	-	-	-	(97,796,003)	-	(97,796,003)
At 30 September 2019 (restated)	1,987	5,083,612	2,131	(3,063,602)	687,588	2,711,716
Profit for the year	-	-	-	99,556,570	-	99,556,570
Share based payments	-	-	-	-	7,039	7,039
At 30 September 2020	1,987	5,083,612	2,131	96,492,968	694,627	102,275,325

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

19 Leased Assets

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

Tangible fixed assets

	£
At 1 October 2018	-
On transition	3,707,814
Depreciation	(833,010)
At 30 September 2019	<u>2,874,804</u>
At 1 October 2019	2,874,804
Additions	-
Depreciation	(847,893)
At 30 September 2020	<u><u>2,026,911</u></u>

Lease liabilities

	£
At 1 October 2018	-
On transition	(3,707,814)
Interest	(132,224)
Lease payments	836,784
At 30 September 2019	<u>(3,003,254)</u>
At 1 October 2019	(3,003,254)
Additions	-
Interest	(102,827)
Lease payments	943,030
At 30 September 2020	<u><u>(2,163,051)</u></u>
Due within one year	865,805
Due after more than one year	1,297,246
	<u><u>2,163,051</u></u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

19 Leased Assets (continued)

Items expensed through the income statement include the following:

Leases under IFRS 16

2020	£
Interest on lease liabilities	102,827
Depreciation of assets in use	847,893
2019	£
Interest on lease liabilities	132,224
Depreciation of assets in use	833,010

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

	2020	2019
	£	£
Less than one year	1,521,588	1,552,149
Between one and five years	647,740	1,143,831
	<u>2,169,328</u>	<u>2,695,980</u>

20 Contingent liabilities

There are no contingent liabilities at 30 September 2020.

21 Share based payments

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

Eligible employees in the Company were granted share options that are equity settled by the ultimate holding entity, Topinsure Limited (2019: by the previous ultimate holding entity, Acturis Group Limited). In the year the charge to the income statement was £7,039 (2019: £1,677,470) for the Company's portion of the group charge.

The charge is lower in the current year compared to the previous year for two reasons: (1) the acquisition of the Acturis Group by Bidinsure Limited in May 2019 triggered an exit valuation and the crystallisation of value under the share option and other share incentive plans; and (2) the grants of share options under the new Topinsure Limited incentive plan have a lower fair value per option than under the previous plan.

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

22 Related party transactions

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

During the year, the Company entered into an arms' length contract to supply software services to a company in which two directors of the Company have non-controlling shareholdings. The value of services supplied during the year was £144,333 (2019: £108,747 and the balance outstanding at the year end was £1,058 (2019: £6,480)).

23 Ultimate parent company and parent company of larger group

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

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

24 First time adoption of FRS 101

As stated in note 1a, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 September 2020, the comparative information presented in these financial statements for the year ended 30 September 2019 and in the preparation of an opening FRS 101 balance sheet at 30 September 2018.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (FRS 102). An explanation of how the transition from FRS 102 to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Reconciliation of profit for the period ended 30 September 2019

	2019 (original) FRS 102 £	IFRS 15 adjustments £	IFRS 16 adjustments £	2019 (restated) FRS 101 £
Turnover	64,246,927	(1,356,939)	-	62,889,988
Administrative expenses	(33,525,408)	-	3,773	(33,521,635)
Operating profit	30,721,519	(1,356,939)	3,773	29,368,353
Interest receivable and similar income	1,494,654	-	-	1,494,654
Lease liability interest	-	-	(132,224)	(132,224)
Profit before taxation	32,216,173	(1,356,939)	(128,451)	30,730,783
Taxation on profit	(6,501,865)	257,818	-	(6,244,047)
Profit for the financial year	25,714,308	(1,099,121)	(128,451)	24,486,736

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

24 First time adoption of FRS 101 (continued)

Reconciliation of equity at 30 September 2019

	2019 (original) FRS 102 £	IFRS 15 adjustments £	IFRS 16 adjustments £	2019 (restated) FRS 101 £
Fixed assets				
Intangible fixed assets	11,962,626	-	-	11,962,626
Tangible fixed assets	1,694,904	-	2,874,804	4,569,708
Investment in subsidiary	2,203,335	-	-	2,203,335
	<u>15,860,865</u>	-	2,874,804	<u>18,735,669</u>
Current assets				
Debtors	15,802,964	738,170	(228,610)	16,312,524
Cash at bank and in hand	3,768,131	-	-	3,768,131
	<u>19,571,095</u>	738,170	(228,610)	<u>20,080,655</u>
Creditors: amounts falling due within one year	<u>(18,300,599)</u>	(7,056,954)	(680,134)	<u>(26,037,687)</u>
Net current assets	1,270,496	(6,318,784)	(908,744)	(5,957,032)
Total assets less current liabilities	<u>17,131,361</u>	(6,318,784)	1,966,060	<u>12,778,637</u>
Long term liabilities				
Creditors: falling due after more than one year	(2,085,697)	(5,818,172)	(2,163,052)	(10,066,921)
Net assets	<u>15,045,664</u>	(12,136,956)	(196,992)	<u>2,711,716</u>
Capital and reserves				
Called up share capital	1,987	-	-	1,987
Share premium account	5,083,612	-	-	5,083,612
Capital redemption reserve	2,131	-	-	2,131
Capital contribution reserve	687,588	-	-	687,588
Profit and loss account b/f	-	(11,037,835)	(68,541)	(11,106,376)
Profit and loss account	9,270,346	(1,099,121)	(128,451)	8,042,774
Total shareholder's funds	<u>15,045,664</u>	(12,136,956)	(196,992)	<u>2,711,716</u>

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

24 First time adoption of FRS 101 (continued)

Reconciliation of equity at 1 October 2018

	2018 (original) FRS 102 £	IFRS 15 adjustments £	IFRS 16 adjustments £	2018 (restated) FRS 101 £
Fixed assets				
Intangible fixed assets	9,262,921	-	-	9,262,921
Tangible fixed assets	1,551,019	-	3,707,814	5,258,833
Investment in subsidiary	2,203,335	-	-	2,203,335
	13,017,275	-	3,707,814	16,725,089
Current assets				
Debtors	38,100,667	480,352	(228,610)	38,352,409
Cash at bank and in hand	46,558,855	-	-	46,558,855
	84,659,522	480,352	(228,610)	84,911,264
Creditors: amounts falling due within one year	(12,226,908)	(1,356,939)	(544,491)	(14,128,338)
Net current assets	72,432,614	(876,587)	(773,101)	70,782,926
Total assets less current liabilities	85,449,889	(876,587)	2,934,713	87,508,015
Long term liabilities				
Creditors: falling due after more than one year	-	(10,161,248)	(3,003,254)	(13,164,502)
Net assets	85,449,889	(11,037,835)	(68,541)	74,343,513
Capital and reserves				
Called up share capital	1,987	-	-	1,987
Share premium account	5,083,612	-	-	5,083,612
Capital redemption reserve	2,131	-	-	2,131
Capital contribution reserve	3,250,037	-	-	3,250,037
Profit and loss account	77,112,122	(11,037,835)	(68,541)	66,005,746
Total shareholder's funds	85,449,889	(11,037,835)	(68,541)	74,343,513

**Notes to the financial statements
for the year ended 30 September 2020 (continued)**

24 First time adoption of FRS 101 (continued)

Explanation of transition adjustments

Revenue recognition

IFRS 15 has been adopted as part of the transition to FRS 101. In accordance with IFRS 1, this standard has been applied retrospectively to the period ended 30 September 2018. The impact of this retrospective application resulted in a change in the method professional service revenues were being recognised from upfront basis according to stage of completion to becoming recognised in accordance with the minimum term of the associated service and maintenance period as dictated by the relevant customer contract.

From the effective date of 1 October 2018 this resulted in an increase to creditors and a decrease to profit of £11,037,835.

For the period ended 30 September 2019 this resulted in a reduction to revenue and an increase to creditors of £1,099,121.

Lease recognition

IFRS 16 has been adopted as part of the transition to FRS 101. In accordance with IFRS 1, this standard has been applied using the modified retrospective approach with the transition being on 1 October 2018. The impact of this retrospective application resulted in a change in the method leases were being recognised from operating leases to finance leases.

From the effective date of 1 October 2018 this resulted in an increase to tangible fixed assets by £3,707,814 with a corresponding increase in lease liabilities.

For the period ended 30 September 2019 this resulted in a reduction to expenses and an increase in interest receivable of £3,773 and £132,224, and an increase to tangible fixed assets and lease liabilities of £2,874,804 and £3,003,255. The resulting net effect of these adjustments to profit for the period ended 30 September 2019 was £128,451.

Acturis Limited

Notes to the financial statements for the year ended 30 September 2020 (continued)

25 Accounting estimates and judgements

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

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

Revenue recognition

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

Acquisitions and recoverability of intangible assets and investments

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

Leases

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

26 Post balance sheet events

During the year, the company paid a dividend of £Nil (2019: £97,796,003). Post year end on 27 October 2020 the company paid a dividend to ordinary shareholders of £5.0327 per ordinary share totalling £10,000,000. On 26 January 2021 the company declared a dividend to ordinary shareholders of £8.0608 per ordinary share totalling £16,016,859.

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