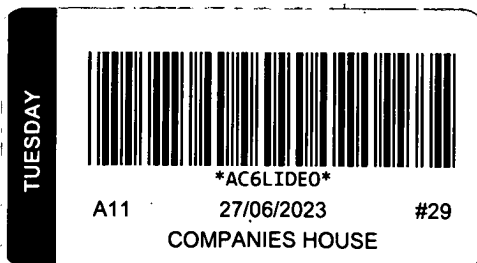


Company registered number: 03998084

**ACTURIS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**



# **ACTURIS LIMITED**

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# **ACTURIS LIMITED**

## **DIRECTORS AND ADVISORS**

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**Directors**

S Bhatia  
M L Davies  
T S Duchen  
A P Goddard  
J Lorimer  
J McCracken  
D McDonald  
H Parra  
T E W Stuart

**Secretary**

D McDonald

**Company registered number**

03998084

**Registered office**

Courtyard Suite  
100 Hatton Garden  
London  
EC1N 8NX

**Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

# ACTURIS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 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 2022 the Company:

- Increased revenues by 6% to £79,890k (2021: £75,250k);
- Decreased operating profit by 1% to £38,881k (2021: £39,325k).

The Company is pleased to report that it had £15,503k (2021: £12,992k) of cash at bank at the financial year end and during the year recurring revenues represented over 81% (2021: 79%) of total revenue. We enter the new financial year with a robust financial position and a good pipeline of business opportunities.

#### 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 is a leading innovator 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.
- **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. The combination of Brexit and COVID-19 has resulted in skills shortages and high salary inflation. Senior management spend a significant percentage of their time identifying, interviewing, recruiting and coaching young talent in all areas of our business.
- **Conflict in Ukraine:** the Acturis Group established a near-shore development centre in Wrocław, Poland in 2013. Although the office is located in Western Poland and the conflict is currently focused on the Eastern half of Ukraine, Poland has been impacted by the influx of refugees. If the conflict further spreads across Ukraine it is likely that the level of disruption in Poland will increase but this is unlikely to impact the operations of Acturis Poland. Acturis also has additional distributed development capacity in the UK and in South Africa.
- **Economic impact from high interest rates and high levels of inflation:** Acturis now has a proven track record of being able to operate seamlessly under the restrictions that were introduced to combat COVID-19. However, the biggest ongoing impact is the high inflation resulting from the accommodating economic policies during the period of COVID-19 lockdown, and exacerbated by Brexit and the Ukraine war. The increased interest rates introduced to combat this high inflation may result in a deep and long-lasting economic recession and this in turn could result in widespread business insolvency, particularly among SMEs. The impact of a possible global recession could see a period of reduced economic activity flowing through to lower user numbers and transaction volumes and therefore reduced revenue for the Acturis Group. The Group has modelled various stress test scenarios and we have contingency plans in place to control costs to ensure continued profitable operations. The Group also has sufficient cash resources and bank facilities to weather any deeper crisis and allow time to adapt the cost base to the evolving crisis.

# ACTURIS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### **Financial instruments and financial risk management**

The Company is exposed to a number of financial risks including interest rate risk, credit risk, liquidity risk and currency risk. Any use of financial derivatives is approved by the board of directors and is limited to the management of those risks. The Company does not use financial derivatives for speculative purposes.

#### Interest rate risk

The Company's borrowings are largely of an intercompany nature which are subject to interest based on a variable base rate. As a result the Company is exposed to a risk of changes in interest rates.

#### Credit risk

The Company's principal financial assets are bank balances and cash, trade receivables and other receivables. The Company's credit risk is primarily related to trade debtors. The amounts presented in the financial statements are net of allowance for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on our experience, is evidence of a reduction in the recoverability of cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Company has no significant concentration of credit risk with exposure spread over a large number of counterparties and customers.

#### Liquidity risk

The Company uses permanent share capital and maintains sufficient funds to finance operations and the long term development of the business.

#### Currency risk

The Company utilises development, support and hosting operations outside the UK, which support the UK revenue base. In addition, the Company has operating subsidiaries in Germany. As a result, exposures to exchange rate fluctuations arise. The Company monitors and manages these exposures on an ongoing basis.

### **Key performance indicators**

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

### **Engaging with stakeholders**

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

#### Employees

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

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

# ACTURIS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### Engaging with stakeholders (continued)

#### Customers and suppliers

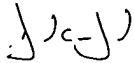
The Company proactively and continuously engages with its customers and suppliers through both face to face meetings and digital platforms. In addition to regular visits to office locations of key customers and suppliers and attendance at industry conferences, the Company hosts a series of in-persons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

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

#### **Outlook**

Acturis is well positioned to support underwriters, brokers and other distributors in transitioning to a more digital and connected future. We continue to invest in new products and services to drive digitisation, particularly in enabling electronic integration between end customers, brokers and insurers.

On behalf of the board



.....  
D McDonald

**Director**

**Company registered number: 03998084**

Date: 20 February 2023.....

# ACTURIS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The directors present their annual report and audited financial statements for the year ended 30 September 2022.

#### Results and dividends

The profit after taxation for the year was £34,405k (2021: profit of £31,393k).

Ordinary dividends were paid during the year amounting to £13,560k (2021: £42,981k).

On 24 October 2022, the Company declared a dividend to ordinary shareholders of £5.28 per ordinary share totalling £10,500k.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Bhatia  
M L Davies  
T S Duchen  
A P Goddard  
J Lorimer  
J McCracken  
D McDonald  
H Parra  
T E W Stuart

#### Political and charitable contributions

The Company donated £40k (2021: £10k) to charitable organisations during the year.

#### Research and development

During the year the Company invested £15,008k (2021: £13,386k) 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.

#### Post reporting date events

Post balance sheet events are disclosed in note 26 to the accounts.

#### Future developments

The future developments for the Company are included within the strategic report under the outlook section.

#### Greenhouse gas emissions, energy consumption and energy efficiency

Energy use for the Company increased in the year as the COVID-19 related lockdowns abated, resulting in the Company returning to partial office working and resuming limited client site visits.

	2022 kWh	2021 kWh
<b>UK energy consumed:</b>		
Electricity use	257,575	187,352
Gas combustion	-	-
Fuel consumption	52,793	13,696
	<u>310,368</u>	<u>201,048</u>

# ACTURIS LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

UK emissions from:	2022 Tonnes CO2	2021 Tonnes CO2
Scope 1 (direct)	-	-
Scope 2 (indirect)	50	40
Scope 3 (other indirect)	13	3
Total gross emissions	<u>63</u>	<u>43</u>
<b>Company's chosen intensity measurement</b>		
Total tonnes CO2 emissions per £m revenue	<u>0.8</u>	<u>0.6</u>

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

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

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

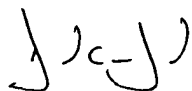
### Disclosure of information to auditor

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

### Auditor

Pursuant to Section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



.....  
D McDonald

Director

Company registered number: 03998084

Date: 20 February 2023

# **ACTURIS LIMITED**

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

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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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 accounting 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.

The directors are also 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

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### Opinion

We have audited the financial statements of Acturis Limited ("the company") for the year ended 30 September 2022 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Going concern

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

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

Our conclusions based on this work:

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

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

### Fraud and breaches of laws and regulations – ability to detect

*Identifying and responding to risks of material misstatement due to fraud*

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTURIS LIMITED**

**(continued)**

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

We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- testing a sample of revenue transactions that occurred during the year by vouching to the invoice, underlying contract and proof of payment, in order to address the risk that inappropriate revenue transactions were recorded during the year.

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

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

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

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

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

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTURIS LIMITED**

**(continued)**

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### **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 has 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 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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

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



**Omar Ali (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

24 February 2023

# ACTURIS LIMITED

## PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2022

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	Notes	2022 £000	2021 £000
Turnover	3	79,890	75,250
Administrative expenses		(41,009)	(35,925)
<b>Operating profit</b>	4	<b>38,881</b>	<b>39,325</b>
Interest receivable and similar income	6	3,572	1,921
Interest payable and similar expenses	7	-	(2,533)
Lease liability interest	20	(56)	(84)
<b>Profit before taxation</b>		<b>42,397</b>	<b>38,629</b>
Tax charge on profit	8	(7,992)	(7,236)
<b>Profit for the financial year</b>		<b>34,405</b>	<b>31,393</b>
<b>Total comprehensive income for the year</b>		<b>34,405</b>	<b>31,393</b>

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All activities arise from continuing operations.

The notes on pages 15 to 36 form part of these financial statements.

# ACTURIS LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	10	16,945	15,338
Tangible assets	11	2,866	936
Right of use assets	20	927	1,753
Investments	12	22,097	22,097
		<u>42,835</u>	<u>40,124</u>
<b>Current assets</b>			
Debtors (including £71,117k (2021: £60,059k) due after more than one year)	14	86,013	73,974
Cash at bank and in hand	15	15,503	12,992
		<u>101,516</u>	<u>86,966</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(20,261)	(25,144)
Lease liabilities: amounts falling due within one year	20	(135)	(1,068)
		<u></u>	<u></u>
<b>Net current assets</b>		81,120	60,754
<b>Total assets less current liabilities</b>		<u>123,955</u>	<u>100,878</u>
<b>Long term liabilities</b>			
Creditors: amounts falling due after more than one year	17	(11,650)	(9,268)
Lease liabilities: amounts falling due after more than one year	20	(727)	(905)
		<u></u>	<u></u>
<b>Net assets</b>		<u>111,578</u>	<u>90,705</u>
<b>Capital and reserves</b>			
Called up share capital	18	2	2
Share premium	19	5,084	5,084
Capital redemption reserve	19	2	2
Capital contribution reserve	19	740	712
Profit and loss account	19	105,750	84,905
		<u>111,578</u>	<u>90,705</u>

The notes on pages 15 to 36 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 20 February 2023 and are signed on its behalf by:

.....  
D McDonald

Director

Company registered number: 03998084

# ACTURIS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Called up share capital £000	Share premium £000	Capital redemption reserve £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
<b>Balance at 1 October 2020</b>	2	5,084	2	694	96,493	102,275
<b>Year ended 30 September 2021:</b>						
Profit and total comprehensive income for the year	-	-	-	-	31,393	31,393
Dividends paid	-	-	-	-	(42,981)	(42,981)
Share-based payments	-	-	-	18	-	18
<b>Balance at 30 September 2021</b>	2	5,084	2	712	84,905	90,705
<b>Year ended 30 September 2022:</b>						
Profit and total comprehensive income for the year	-	-	-	-	34,405	34,405
Dividends paid	-	-	-	-	(13,560)	(13,560)
Share-based payments	-	-	-	28	-	28
<b>Balance at 30 September 2022</b>	2	5,084	2	740	105,750	111,578

The notes on pages 15 to 36 form part of these financial statements.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

---

### 1 General information

Acturis Limited is a private company limited by shares and registered 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 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. The Company is part of the Group headed by Topinsure Limited.

### 2 Summary of significant accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies used, which have been applied consistently, are set out below:

#### 2.1 Basis of preparation

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

The financial information is presented in pounds sterling and in round thousands, which is the Company's functional and presentational currency.

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

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

As the consolidated financial statements of Topinsure 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; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosure required by IFRS 7 Financial Instrument Disclosures.

#### 2.2 Consolidation

The Company is a wholly owned subsidiary of Acturis International Limited and of its ultimate parent, Topinsure Limited. It is included in the consolidated financial statements of Topinsure Limited, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is Courtyard Suite, 100 Hatton Garden, London, England EC1N 8NX.

These financial statements are separate financial statements.

#### 2.3 New standards, amendments, IFRIC interpretations and new relevant disclosure requirements

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 September 2022 that have a material impact on the Company's financial statements.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 2 Summary of significant accounting policies (continued)

##### 2.4 Going concern

The Company made a profit of £34,405k in the year (2021: profit of £31,393k), has net assets of £111,578k (2021: £90,705k), net current assets of £81,120k (2021: £60,754k) and cash of £15,503k (2021: £12,992k).

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

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

The directors have considered the status of the Group, its financial position and future prospects. In particular, consideration has been given to the uncertainties relating to: (1) inflationary pressures resulting in high interest rates and risk of economic recession; (2) skill shortages, salary inflation and changes to working practices following the impact of COVID-19; (3) the market in which the Group operates; and (4) the particular risks described in the report to which the Group is exposed. From these risks, the directors consider that the potential impact of inflationary pressure on salaries and economic recession represent the most significant risks for the Group.

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

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

##### 2.5 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.

###### *Licences*

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.

###### *Trademarks*

Trademarks that are acquired by the Company are capitalised and are amortised over 10 years on a straight line basis. They are stated at cost less accumulated amortisation and accumulated impairment losses.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 2 Summary of significant accounting policies (continued)

##### 2.5 Intangible fixed assets (continued)

###### *Amortisation*

Amortisation is charged to administrative expenses in 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:

Internally developed software	5 years
Licenses	3 years
Trademarks	10 years

##### 2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised in administrative expenses in the profit or loss account so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	3 years
Computer equipment	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to administrative expenses in the profit and loss.

##### 2.7 Investments in subsidiaries

Investments in subsidiaries are initially measured at cost, including the transaction costs relating to the acquisition of the equity, and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

##### 2.8 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.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 2 Summary of significant accounting policies (continued)

#### 2.8 Impairment of tangible and intangible assets (continued)

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.

#### 2.9 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.

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.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 2 Summary of significant accounting policies (continued)

#### 2.9 Financial instruments (continued)

##### *Cash and cash equivalents*

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

##### (b) *Subsequent measurement and gains and losses*

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

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

##### *Financial liabilities and equity*

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

- 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
- 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.

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

##### (c) *Intra-group financial instruments*

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

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 2 Summary of significant accounting policies (continued)

#### 2.9 Financial instruments (continued)

##### (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.

##### **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 of financial assets**

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.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 2 Summary of significant accounting policies (continued)

##### 2.10 Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

##### 2.11 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 fee*

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:

- 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
- 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.

##### 2.12 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*

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.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 2 Summary of significant accounting policies (continued)

#### 2.12 Taxation (continued)

##### *Deferred tax*

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.

#### 2.13 Employee benefits

##### *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.

##### *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.

##### *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 (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 2 Summary of significant accounting policies (continued)

#### 2.14 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
- 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 separately from 'tangible assets' and lease liability separately from 'creditors' on the statement of financial position due to the high materiality of these balances.

#### *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.

#### *Operating leases*

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

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 3 Turnover

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

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Turnover analysed by class of business</b>		
Software as a service fees	64,630	59,136
Professional services fees	15,260	16,114
	<u>79,890</u>	<u>75,250</u>
	<u><u>79,890</u></u>	<u><u>75,250</u></u>
	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Turnover analysed by geographical market</b>		
United Kingdom	76,417	73,225
Other countries	3,473	2,025
	<u>79,890</u>	<u>75,250</u>
	<u><u>79,890</u></u>	<u><u>75,250</u></u>

#### Contract balances

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

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	10,632	11,250
Contract assets	1,240	1,183
Contract liabilities	19,998	17,377
	<u>19,998</u>	<u>17,377</u>
	<u><u>19,998</u></u>	<u><u>17,377</u></u>

The value of contract assets settled in the current period from performance obligations satisfied (or partially satisfied) in previous periods was £1,183k (2021: £1,263k).

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £7,754k (2021: £9,540k).

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 4 Operating profit

Operating profit for the year is stated after charging/(crediting):

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Audit fees payable to the Company's auditors	49	34
Depreciation of tangible fixed assets (see note 11)	1,327	963
Depreciation of right of use assets (see note 20)	826	832
Profit on disposal of tangible fixed assets	(10)	-
Amortisation of intangible fixed assets (see note 10)	6,303	5,635
Leases outside the scope of IFRS 16	321	327
	<u>          </u>	<u>          </u>

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

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Development expenditure expensed as incurred	7,432	6,541
Development expenditure capitalised (see note 10)	7,576	6,845
	<u>          </u>	<u>          </u>
Total development expenditure for the period	<u>15,008</u>	<u>13,386</u>

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.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 5 Remuneration of directors and staff costs

The average number of persons (including directors) employed by the Company during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Software design, development and implementation	301	276
Project management, training and data migration	22	21
System operations and customer support	77	71
Sales, administration and management	28	27
	<hr/>	<hr/>
Total	428	395
	<hr/> <hr/>	<hr/> <hr/>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	22,109	20,007
Other employee benefits (including share-based payments)	28	18
Social security costs	2,643	2,249
Pension costs	589	521
	<hr/>	<hr/>
	25,369	22,795
	<hr/> <hr/>	<hr/> <hr/>

Directors' emoluments were:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Emoluments inclusive of benefits in kind and social security costs	2,029	2,017
Company pension contributions to defined contribution schemes	14	14
	<hr/>	<hr/>
	2,043	2,031
	<hr/> <hr/>	<hr/> <hr/>

Emoluments of the highest paid director were:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Emoluments inclusive of benefits in kind and social security costs	279	282
Company pension contributions to defined contribution schemes	2	2
	<hr/>	<hr/>
	281	284
	<hr/> <hr/>	<hr/> <hr/>

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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**6 Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Interest on bank deposits	1	64
Interest receivable from group companies	2,387	1,991
Reversal of accrued interest income	-	(134)
Gain on foreign exchange translation	1,184	-
	<u>3,572</u>	<u>1,921</u>
	<u><u>3,572</u></u>	<u><u>1,921</u></u>

**7 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Lease liability interest (see note 20)	56	84
Loss on foreign exchange translation	-	2,533
	<u>56</u>	<u>2,617</u>
	<u><u>56</u></u>	<u><u>2,617</u></u>

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 8 Taxation

The main corporation tax rate in the UK of 19% (2021: 19%) was used for this financial year in the computation of the corporation tax charge (2021: charge).

	2022 £000	2021 £000
<b>Current tax</b>		
Current tax charge	7,429	7,403
Adjustments in respect of prior years	-	(2)
Total current tax	<u>7,429</u>	<u>7,401</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	563	(67)
Change in rate	-	(98)
Total deferred tax	<u>563</u>	<u>(165)</u>
Total tax charge	<u>7,992</u>	<u>7,236</u>

#### Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
<b>Tax reconciliation</b>		
Profit before taxation	<u>42,397</u>	<u>38,629</u>
Expected tax charge at 19% (2021: 19%)	8,055	7,340
<i>Effects of:</i>		
Non-deductible expenses	4	(4)
Adjustments in respect of prior years	-	(2)
Change in rate	-	(98)
Timing differences on fixed assets	(67)	-
Tax charge for the year	<u>7,992</u>	<u>7,236</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. The deferred tax liability at 30 September 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences (2021: 19% and 25%).

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 9 Deferred taxation

##### **Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	<b>Assets</b> <b>2022</b> <b>£000</b>	<b>Assets</b> <b>2021</b> <b>£000</b>	<b>Liabilities</b> <b>2022</b> <b>£000</b>	<b>Liabilities</b> <b>2021</b> <b>£000</b>	<b>Net</b> <b>2022</b> <b>£000</b>	<b>Net</b> <b>2021</b> <b>£000</b>
<b>Balances:</b>						
Tangible fixed assets	-	385	(178)	-	(178)	385
	-	385	(178)	-	(178)	385
	<u>-</u>	<u>385</u>	<u>(178)</u>	<u>-</u>	<u>(178)</u>	<u>385</u>
					<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
<b>Movements in the current and prior year</b>						
Asset at 1 October					385	220
Recognised in income					(563)	165
					<u>(178)</u>	<u>385</u>
(Liability)/asset at 30 September					<u>(178)</u>	<u>385</u>

#### 10 Intangible fixed assets

	<b>Internally developed software</b> <b>£000</b>	<b>Licenses</b> <b>£000</b>	<b>Trademarks</b> <b>£000</b>	<b>Total</b> <b>£000</b>
<b>Cost</b>				
At 1 October 2021	31,781	6,906	37	38,724
Additions	7,576	330	4	7,910
At 30 September 2022	<u>39,357</u>	<u>7,236</u>	<u>41</u>	<u>46,634</u>
<b>Amortisation</b>				
At 1 October 2021	17,300	6,080	6	23,386
Charge for the year	5,698	601	4	6,303
At 30 September 2022	<u>22,998</u>	<u>6,681</u>	<u>10</u>	<u>29,689</u>
<b>Carrying amount</b>				
At 30 September 2022	<u>16,359</u>	<u>555</u>	<u>31</u>	<u>16,945</u>
At 30 September 2021	<u>14,481</u>	<u>826</u>	<u>31</u>	<u>15,338</u>

Internally developed software is presented in the table above as its own class of intangible asset since it relates solely to the Acturis system, an individually material intangible asset.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 11 Tangible fixed assets

	Fixtures, fittings and equipment £000	Computer equipment £000	Total £000
<b>Cost</b>			
At 1 October 2021	1,291	12,187	13,478
Additions	84	3,174	3,258
Disposals	-	(11)	(11)
At 30 September 2022	<u>1,375</u>	<u>15,350</u>	<u>16,725</u>
<b>Depreciation</b>			
At 1 October 2021	1,224	11,318	12,542
Charge in the year	78	1,249	1,327
Eliminated in respect of disposals	-	(10)	(10)
At 30 September 2022	<u>1,302</u>	<u>12,557</u>	<u>13,859</u>
<b>Carrying amount</b>			
At 30 September 2022	<u>73</u>	<u>2,793</u>	<u>2,866</u>
At 30 September 2021	<u>67</u>	<u>869</u>	<u>936</u>

#### 12 Investments

	Cost at 1 October 2021 £000	Additions £000	Disposals £000	Cost at 30 September 2022 £000
<b>Subsidiaries (note 13)</b>				
Acturis Deutschland GmbH	22,097	-	-	22,097
	<u>22,097</u>	<u>-</u>	<u>-</u>	<u>22,097</u>

#### 13 Subsidiaries

Details of the Company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Country of incorporation	Registered office	Class of shares held	% Held	
				Direct	Indirect
Acturis Deutschland GmbH	Germany	Max-Planck-Straße 14, 53501 Grafschaft, Germany	Ordinary	100.00	-
NAFI GmbH	Germany	Lütmarser Str. 60, 37671 Hörter, Germany	Ordinary	-	100.00
Assfinet GmbH	Germany	Max-Planck-Straße 14, 53501 Grafschaft, Germany	Ordinary	-	100.00
Lutronik Software GmbH	Germany	Am Schornacker 13, 46485 Wesel, Germany	Ordinary	-	100.00

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

<b>14 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	10,632	11,250
Contract assets	1,240	1,183
Corporation tax recoverable	923	-
Other debtors	1,624	1,195
Prepayments	477	287
	<u>14,896</u>	<u>13,915</u>
<b>Amounts falling due after more than one year:</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	71,117	59,674
Deferred tax asset (see note 9)	-	385
	<u>71,117</u>	<u>60,059</u>
<b>Total debtors</b>	<b>86,013</b>	<b>73,974</b>

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.

Trade debtors are stated after provisions for impairment of £100k (2021: £142k).

<b>15 Cash at bank and in hand</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Current accounts	461	601
Deposit accounts	15,042	12,391
	<u>15,503</u>	<u>12,992</u>

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 16 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	2,311	1,124
Contract liabilities	8,348	8,109
Amounts owed to group undertakings	4,897	4,108
Corporation tax	-	3,615
Other taxation and social security	1,714	3,237
Other creditors	-	1,962
Deferred tax liability (see note 9)	178	-
Accruals	2,813	2,989
	<u>20,261</u>	<u>25,144</u>

The interest rate for amounts owed to group undertakings varies between Bank of England base rate plus 3.5% and 5.5%. All loans are repayable on demand.

#### 17 Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Contract liabilities	<u>11,650</u>	<u>9,268</u>

#### 18 Called up share capital

	2022 Number 000s	2021 Number 000s	2022 £000	2021 £000
<b>Authorised</b>				
Ordinary shares of £0.001 each	<u>6,703,769</u>	<u>6,703,769</u>	<u>6,704</u>	<u>6,704</u>
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £0.001 each	<u>1,987</u>	<u>1,987</u>	<u>2</u>	<u>2</u>

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

#### 19 Reserves

##### Share premium

Share premium comprises the premium over the nominal value of shares issued.

##### Capital redemption reserve

The capital redemption reserve comprises the share capital of previously issued shares which have been cancelled.

##### Capital contribution reserve

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

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 19 Reserves (continued)

##### Profit and loss account

The profit and loss account relates to current and prior period accumulated profits and losses.

#### 20 Leases

The Company has lease contracts for various offices and data centre spaces used in the operations. The amounts recognised in the financial statements in relation to the leases are as follows:

##### Right of use assets

	£000
At 1 October 2020	2,027
Additions	558
Depreciation	(832)
	<hr/>
At 30 September 2021	1,753
	<hr/>
At 1 October 2021	1,753
Additions	-
Depreciation	(826)
	<hr/>
At 30 September 2022	927
	<hr/> <hr/>

##### Lease liabilities

	£000
At 1 October 2020	(2,163)
Additions	(558)
Interest	(84)
Lease payments	832
	<hr/>
At 30 September 2021	(1,973)
	<hr/>
At 1 October 2021	(1,973)
Additions	-
Interest	(56)
Lease payments	1,167
	<hr/>
At 30 September 2022	(862)
	<hr/> <hr/>

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 20 Leases (continued)

	2022 £000	2021 £000
Due within one year	135	1,068
Due after more than one year	727	905
	<u>862</u>	<u>1,973</u>

Items expensed through the profit and loss account include the following:

#### Leases under IFRS 16

	2022 £000	2021 £000
Interest on lease liabilities	56	84
Depreciation of assets in use	826	832

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

	2022 £000	2021 £000
Less than one year	467	1,524
Between one and five years	934	197
	<u>1,401</u>	<u>1,721</u>

The total cash outflow for leases was £1,167k (2021: £832k).

### 21 Contingent liabilities

The Company has no material contingent liabilities at the balance sheet date. (2021: £nil).

### 22 Share-based payments

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

Eligible employees in the Company were granted share options that are equity-settled by the ultimate holding entity, Topinsure Limited. In the year the charge to the income statement was £28k (2021: £18k) for the Company's portion of the group charge.

# ACTURIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 23 Related party transactions

The Company has availed itself of the exemption under FRS 101 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 Courtyard Suite, 100 Hatton Garden, London, England, EC1N 8NX.

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 £141k (2021: £133k) and the balance outstanding at the year end was £2k (2021: £3k).

#### 24 Ultimate controlling party

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 Midinsure 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.

#### 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.

# **ACTURIS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### **26 Post balance sheet events**

On 24 October 2022, the Company declared a dividend to ordinary shareholders of £5.28 per ordinary share totalling £10,500k.

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