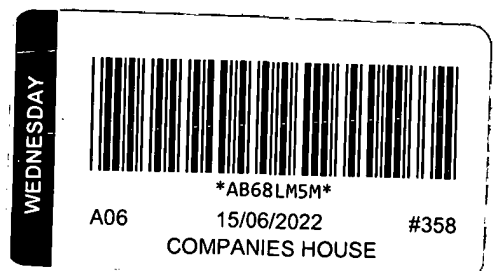


Company Registration No. 03921897 (England and Wales)

Causeway Technologies Limited

**Annual report and financial statements
for the year ended 31 December 2021**



Causeway Technologies Limited

Company information

Directors	Philip Brown Peter Nagle Mark Howell
Secretary	David Evans
Company number	03921897
Registered office	Third Floor, Sterling House 20 Station Road Gerrards Cross Buckinghamshire England SL9 8EL
Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	Barclays Bank Plc Birmingham B3 2BH

Causeway Technologies Limited

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Causeway Technologies Limited

Strategic report

For the year ended 31 December 2021

The directors present the strategic report for the year ended 31 December 2021.

Principal Activities

During the year under review the Group continued to consolidate its position as a leading software provider for the Construction Industry and Built Environment that serves 3,100 customers in 51 countries, a 13% increase on the prior year (2020: 2,744 customers).

Business Review and future developments

Financial Review

Causeway has now completed its transformation from traditionally licenced software and maintenance to term-based Annual Recurring Revenue ("ARR") subscriptions. The typical minimum term for customer subscription contracts is 5-years and Causeway considers the growth in the lifetime value of these contracts ("LCV") as a key performance indicator; LCV equates to the annual value of a contract multiplied by the remaining minimum term.

At 31st December 2021 the Annual Contract Value ("ACV") of all live contracts amounted to £35.4m, a 7% increase compared to prior year and a 229% value increase from the £15.4m value in annual contracts at January 2016. The total LCV of all contracts amounted to £150.1m, a 403% increase over the transformation period.

Importantly, the recurring revenue recognised in 2021 represented 89% (2020: 87%) of total Group revenue, providing a solid platform for stability and growth.

The value of new ARR contracts booked in 2021 totalled £3.5m, of which £1.2m was recognised as revenue in the financial year and the remaining balance deferred to 2022.

Company EBITDA in the period amounted to £11.6m, which included strategic spend to support the business through its next phase of growth. If these costs were excluded, Adjusted EBITDA would have been £17.1m, which represents a 9% increase in the year versus 2020 (£15.7m Adjusted EBITDA). EBITDA cash conversion was 116%.

The Group's significant investment in Research & Development and in particular cloud solutions continued, with a total investment of £6.7m (2020: £5.8m). This will yield significant growth opportunities over the coming years as the Built Environment sector in particular begins to invest in technologies to drive productivity and profitability.

During the year the Group secured a £120 million investment to fund strategic acquisitions and accelerate its organic growth strategy to digitally connect the construction supply chain through further development of its Cloud Platform. Five Arrows Principal Investments, the European corporate private equity arm of Rothschild & Co, have made this investment in return for a significant minority stake in Causeway.

Causeway Technologies Limited is in a group headed by Invesco Software Holdings Limited. In 2017 the group secured a refinancing package which was led by Guggenheim Investments, who have provided £60.5m of term facilities to date. After the reporting period the group secured a new financing package with Goldman Sachs which refinanced the Guggenheim investment, whilst also providing further funding for future acquisitions and to support organic growth.

Causeway Technologies Limited

Strategic report (continued)

For the year ended 31 December 2021

The Guggenheim facilities are represented in Invesco Technologies Holdings Limited, the holding company of Causeway Software Solutions Limited.

Financial Forecast

Management anticipates recognised ARR will represent 92% of total revenue in the period to 31st December 2022.

Contracted ARR now significantly exceeds full year operating costs. All new ARR bookings (less adjustment for inflation and attrition) will directly correlate to improved EBITDA in subsequent years.

Research and Development Current and Future

The company is investing significant sums in Research and Development ("R&D"), and have budgeted to increase expenditure further in 2022, with teams continuing to build new platform services and refactoring existing products so that they are all capable of serving customers from the Causeway Cloud platform.

Human Resource

HR Business Partners are now in place to support the key Engineering, Sales and Services teams as the business seeks to grow and upskill these key functions in anticipation of the growth opportunities within the sector.

Principal risks and uncertainties

The key risks of the business are a possible increase in attrition of the customer base that might arise due to adverse market conditions as we navigate out of the Covid-19 Pandemic, as well as current financial strains due to inflation and rising prices.

The transition to long-term subscription based ARR contracts has insulated the company against changes to financial conditions. It should be noted that customers rely upon Causeway licenced products to carry out critical business functions and continued use of these products is contingent upon the customers paying in line with contractual terms. It should be further noted a substantial value of the contracted £36.3m ARR is received from larger and more financially resilient companies.

Notwithstanding these safeguards, the company has the ability to reduce operating costs in the event that there is an increase in the incidence of customer failures and default.

The most significant financial risks that the company is exposed to are described below.

Principal risks and uncertainties

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The Group continuously monitors customer credit levels and obtains, where necessary, external credit reports on customers. The amounts presented in the balance sheet are net of any allowance for doubtful debtors, based on prior year experience and an assessment of specific circumstances by the directors. The Group has no significant concentration of credit risk, with exposure spread over a number of clients. All customers have a licence contract, which reduces the risk of non-payment of licence fees.

Liquidity risk

The Group manages its liquidity by monitoring the day-to-day cash flow needs of the business. The Group has substantial cash reserves and use of bank loans to finance expansion opportunities. The Group also monitors cashflow forecasts to ensure that sufficient liquidity exists within the Group to settle liabilities as they fall due and to ensure that covenant requirements are complied with.

Interest rate risk

The group finances its operations through a mixture of retained profits, investment, and bank borrowings. The bank borrowings bear interest at a fixed rate above LIBOR and therefore movements in LIBOR affect the group's exposure to interest rate risk.

Key performance indicators

Reference to key financial and non-financial performance indicators is made above, under "Business Review".

Environmental matters

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.

The Group monitors its Carbon Footprint and offsets Carbon Credits to support renewable energy projects.

On behalf of the board

Mark Howell
.....

Mark Howell

Director

Date: 10 Jun 2022

Causeway Technologies Limited

Directors' report

For the year ended 31 December 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £5,498,094 (2020: £1,872,623).

Total assets are £64.3m as at 31 December 2021 (2020: £61.1m) and the company continues to enjoy strong liquidity with cash reserves at the year end of £13.3m (2020: £13.6m). Shareholder's funds increased to stand at £27.7m at the end of the year (2020: £22.2m).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Philip Brown

Peter Nagle

Mark Howell

Gavin Disney May

(Resigned 4 May 2021)

Matters covered in the Strategic Report

Information on the financial risk management review and future prospects and the principal risks and uncertainties of the business are shown in the Strategic Report.

Charitable contributions

During the year, the company made charitable donations of £60,322 (2020: £73,500).

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

The Board considers employees to be a primary stakeholder in the business, and strives to retain and motivate all employees, as well as attracting high quality new talent. The culture is to be supportive and actively recognise efforts, ensuring employees feel that they are making an impact doing fulfilling work, as well as encouraging people to grow and develop. The company has a strong focus on employee engagement and HR strategy and seek year on year to continue achieving recognition as an award-winning workplace that employees enjoy being a part of. The wellbeing of employees is very important, and integrating work and family, as well as take taking care of oneself and giving back, are all encouraged.

Post balance sheet events

On 28 May 2022, the company acquired 100% of the share capital of Yotta Limited. The final consideration is subject to change but is currently projected to be £49,470,000, and the enterprise value is £52,000,000.

Causeway Technologies has acquired Yotta Limited as it continues its journey to digitise the processes that underpin the construction and maintenance of infrastructure assets. The purchase will help create a single truly integrated end-to-end solution that manages the entire asset management lifecycle for Local Authorities and their Contractors.

Auditor

The auditor, Saffery Champness LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mark Howell.....

Mark Howell

Director

Date: 10 Jun 2022.....

Causeway Technologies Limited

Directors' responsibilities statement For the year ended 31 December 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Causeway Technologies Limited

Independent auditor's report

To the members of Causeway Technologies Limited

Opinion

We have audited the financial statements of Causeway Technologies Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

**Independent auditor's report (continued)
To the members of Causeway Technologies Limited**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Causeway Technologies Limited

**Independent auditor's report (continued)
To the members of Causeway Technologies Limited**

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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

Darren Drake

**Darren Drake (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP**

Date: 10 Jun 2022.....

**Chartered Accountants
Statutory Auditors**

71 Queen Victoria Street
London
EC4V 4BE

Causeway Technologies Limited

Statement of comprehensive income
For the year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	3	39,406,816	37,254,502
Cost of sales		(4,810,163)	(6,571,395)
Gross profit		<u>34,596,653</u>	<u>30,683,107</u>
Administrative expenses		(29,874,044)	(28,711,168)
Operating profit	5	<u>4,722,609</u>	<u>1,971,939</u>
Interest receivable and similar income	9	1,530,499	1,359,577
Interest payable and similar expenses	10	(571,934)	(735,170)
Profit before taxation		<u>5,681,174</u>	<u>2,596,346</u>
Tax on profit	11	(183,080)	(723,723)
Profit for the financial year		<u><u>5,498,094</u></u>	<u><u>1,872,623</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 15 to 43 form part of these financial statements.

Causeway Technologies Limited

Statement of financial position
As at 31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Goodwill	12		9,415,699		6,365,975
Other intangible assets	12		4,570,362		4,986,984
Total intangible assets			13,986,061		11,352,959
Tangible assets	13		2,250,825		522,521
Investments	14		3,853,375		3,435,412
			20,090,261		15,310,892
Current assets					
Stocks	16	298,219		340,076	
Debtors	17	30,587,851		31,876,682	
Cash at bank and in hand		13,309,916		13,612,992	
		44,195,986		45,829,750	
Creditors: amounts falling due within one year	18	(34,313,446)		(33,715,576)	
Net current assets			9,882,540		12,114,174
Total assets less current liabilities			29,972,801		27,425,066
Creditors: amounts falling due after more than one year	19		(1,870,381)		(4,760,824)
Provisions for liabilities					
Deferred tax liability	22	367,832		427,748	
			(367,832)		(427,748)
Net assets			27,734,588		22,236,494
Capital and reserves					
Called up share capital	23		11,200		11,200
Share premium account	28		5,340,800		5,340,800
Profit and loss account	28		22,382,588		16,884,494
Total equity			27,734,588		22,236,494

Causeway Technologies Limited

Statement of financial position (continued)

As at 31 December 2021

The financial statements were approved by the board of directors and authorised for issue on 10 Jun 2022..... and are signed on its behalf by:

Mark Howell.....

Mark Howell

Director

Company Registration No. 03921897

Causeway Technologies Limited

Statement of changes in equity
For the year ended 31 December 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2020	11,200	5,340,800	15,011,871	20,363,871
Period ended 31 December 2020:				
Profit and total comprehensive income for the period	-	-	1,872,623	1,872,623
Balance at 31 December 2020	11,200	5,340,800	16,884,494	22,236,494
Year ended 31 December 2021:				
Profit and total comprehensive income for the year	-	-	5,498,094	5,498,094
Balance at 31 December 2021	11,200	5,340,800	22,382,588	27,734,588

1 Accounting policies

Company information

Causeway Technologies Limited is a private company limited by shares incorporated in England and Wales. The registered office is Third Floor, Sterling House, 20 Station Road, Gerrards Cross, Buckinghamshire, England, SL9 8EL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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

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

This information is included in the consolidated financial statements of Invesco Software Holdings Limited as at 31 December 2021 and these financial statements may be obtained from Third Floor, Sterling House, 20 Station Road, Gerrards Cross, Buckinghamshire, England, SL9 8EL.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies (continued)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, valued added tax and other sales taxes.

The following criteria must also be met before revenue is recognised:

Sales of goods and services

Revenue from the sale of goods and services is recognised when all of the following conditions are satisfied:

- The company has transferred the significant risks and rewards of ownership to the buyer;
- The company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably ;
- It is probable that the company will receive the consideration due under the transactions ;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably; and
- The stage of completion of the contract at the end of the reporting period can be measured reliably.

Where the directors consider it possible to unbundle components of revenue which make up a contractual arrangement with a customer, and these components can be fair valued, each component of revenue is recognised separately.

Initial licence fees are recognised on delivery of software licences to customers where it can be demonstrated that the risks and rewards of ownership have passed. Annual licence and maintenance fees are recognised on a straight line basis over the life of the contract.

Turnover of maintenance and other professional service contracts is invoiced in advance and released to the Statement of Comprehensive Income on a straight line basis over the course of the contract in line with contract terms.

Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1 Accounting policies (continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Included in goodwill are amounts reclassified from investments resulting from the hive up of the trade and assets of acquired businesses.

1.5 Intangible fixed assets other than goodwill

Software licences and trademarks

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Trademarks	3 to 5 years
Customer contracts	3 to 14 years
Goodwill	5 to 20 years
Brand	3 to 10 years
Software	3 to 10 years

1.6 Tangible fixed assets

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

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

1 Accounting policies (continued)

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

Depreciation is provided on the following basis:

Buildings and refurbishments	10 years
Fixtures and fittings	5 years
Computer equipment	3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.7 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

1 Accounting policies (continued)

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

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

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

Basic financial assets

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1 Accounting policies (continued)

Basic financial liabilities

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 Taxation

The taxation expense for the year comprises current and deferred tax.

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax

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

Deferred tax

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

1 Accounting policies (continued)

1.14 Short term employee benefits

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

1.15 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

1.16 Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.17 Operating leases: lessee

Rentals paid under operating leases, are charged to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1 Accounting policies (continued)

1.18 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

1.19 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.20 Research and development

Research and development expenditure is written off in the year in which it is incurred.

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgements

Critical judgements that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relate to the following:

Depreciation and amortisation rates

The company depreciates or amortises its intangible and tangible fixed assets over their estimated useful lives, as more fully described in the accounting policies for Intangible and Tangible assets in sections 1.4, 1.5 and 1.6 above. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, developments in the wider business and maintenance programmes. Management believes that the assets have a long track record of stability and achievement and that there are high barriers to market entry. Management is committed to continue to invest in the intangible assets for the long term to maintain and enhance their value.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, management perform impairment tests based on the fair value less costs to sell or a value in use calculation. The value in use model is based on a discounted cash flow model, cash flow being based on budgets, and estimated discount rates. Forecast revenues take into consideration contracted sales and attrition rates.

Deferred revenue

Revenue contracts are often invoiced in advance for considerable periods of time therefore creating a deferred revenue balance. The revenue is recognised in line with the company's revenue recognition policy at 1.3 and recognised on a straight line basis over the life of the contract. Revenue is deferred until the service has been provided.

Valuation of intangible assets

Intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The valuation of intangible assets are subject to estimation uncertainty as it is based on the reasonableness of the estimated useful lives and management's knowledge in assessing for impairments. Impairment reviews are carried out annually and if a reliable estimate of the useful life cannot be made, it is assumed to not exceed ten years.

Causeway Technologies Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Annual licence support and development	39,406,816	37,254,502

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	37,308,510	35,034,254
Rest of the world	2,098,306	2,220,248
	<u>39,406,816</u>	<u>37,254,502</u>

4 EBITDA

	2021	2020
	£	£
Reconciliation of EBITDA to profit before tax		
EBITDA per management accounts	11,586,501	12,368,422
M&A costs	(624,105)	-
Termination and redundancy pay	(544,970)	(126,980)
Facility fees	(5,584)	-
Arrangement fees	(101,636)	-
Exceptional costs	(270,542)	(338,934)
Exceptional items	-	6,842
Charitable donations	(60,322)	(73,500)
Impairment of goodwill	-	(3,469,689)
Group adjustments	(2,863,344)	(2,674,476)
Other adjustments	18,617	(1,517,470)
	<u>7,134,615</u>	<u>4,174,215</u>
EBITDA per statutory accounts	7,134,615	4,174,215
Interest receivable	1,530,499	1,359,577
Interest payable	(571,934)	(735,170)
Depreciation	(577,675)	(235,253)
Amortisation	(1,834,331)	(1,967,023)
	<u>5,681,174</u>	<u>2,596,346</u>
Profit on ordinary activities before taxation	5,681,174	2,596,346

Exceptional costs include additional costs that have arisen from the Covid-19 pandemic, as well as legal fees relating to acquisitions of companies during the period and legal fees relating to the termination and start of leases.

Causeway Technologies Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

5 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	577,675	235,253
Amortisation of intangible assets	1,834,331	1,967,023
Impairment of intangible assets	-	3,469,689
Exchange differences	(9,902)	7,387
Other operating lease rentals - Land and Buildings	675,221	551,617
Termination and redundancy pay	544,970	126,980
Other exceptional costs in relation to acquisitions	270,542	338,934
	<u> </u>	<u> </u>

Exceptional costs include additional costs that have arisen from the Covid-19 pandemic, as well as legal fees relating to acquisitions of companies during the period and legal fees relating to the termination and start of leases.

6 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	76,000	60,500
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	19,600	18,500
All other non-audit services	18,600	17,500
	<u> </u>	<u> </u>
	<u>38,200</u>	<u>36,000</u>

Auditor's remuneration for audit and non-audit services is incurred by the company on behalf of the Group headed by Invesco Software Holdings Limited.

7 Employees

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

	2021	2020
	Number	Number
Employees	277	256
	<u> </u>	<u> </u>

Causeway Technologies Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

7 Employees (continued)

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	17,624,355	15,645,547
Social security costs	1,949,945	1,602,093
Pension costs	579,682	477,628
	<u>20,153,982</u>	<u>17,725,268</u>

8 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	1,517,833	1,416,000
Company pension contributions to defined contribution schemes	37,013	22,273
	<u>1,554,846</u>	<u>1,438,273</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	842,500	730,000
Company pension contributions to defined contribution schemes	10,000	10,000
	<u>852,500</u>	<u>740,000</u>

The Directors are considered to be the only Key Management Personnel.

Causeway Technologies Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

9 Interest receivable and similar income

	2021	2020
	£	£
Interest receivable from group companies	1,388,680	1,076,646
Other interest income	141,819	282,931
	<u>1,530,499</u>	<u>1,359,577</u>

10 Interest payable and similar expenses

	2021	2020
	£	£
Interest payable to group undertakings	518,031	212,675
Other interest	53,903	522,495
	<u>571,934</u>	<u>735,170</u>

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	242,996	397,548
	<u>242,996</u>	<u>397,548</u>
Deferred tax		
Origination and reversal of timing differences	(194,994)	134,735
Changes in tax rates	135,078	9,461
Other adjustments	-	181,979
	<u>(59,916)</u>	<u>326,175</u>
Total deferred tax	(59,916)	326,175
	<u>(59,916)</u>	<u>326,175</u>
Total tax charge	<u>183,080</u>	<u>723,723</u>

Causeway Technologies Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

11 Taxation (continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	5,681,174	2,596,346
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,079,423	493,306
Tax effect of expenses that are not deductible in determining taxable profit	53,251	105,581
Adjustments in respect of prior years	(366,459)	-
Group relief	(713,768)	(857,384)
Deferred tax adjustments in respect of prior years	14	181,979
Fixed assets differences	244,224	790,782
Other tax adjustments, reliefs and transfers	1,249	-
Remeasurement of deferred tax for changes in tax rates	88,280	9,459
Movement in deferred tax not recognised	(203,133)	-
Adjust closing deferred tax to average rate of 19%	(1)	-
Taxation charge for the year	183,080	723,723

12 Intangible fixed assets

	Goodwill	Trademarks	Customer contracts	Brand	Software	Total
	£	£	£	£	£	£
Cost						
At 1 January 2021	7,938,705	2,677,845	1,809,000	483,000	2,431,000	15,339,550
Additions	3,990,669	476,764	-	-	-	4,467,433
At 31 December 2021	11,929,374	3,154,609	1,809,000	483,000	2,431,000	19,806,983
Amortisation and impairment						
At 1 January 2021	1,572,730	1,603,383	275,978	48,300	486,200	3,986,591
Amortisation charged for the year	940,945	488,147	137,989	24,150	243,100	1,834,331
At 31 December 2021	2,513,675	2,091,530	413,967	72,450	729,300	5,820,922
Carrying amount						
At 31 December 2021	9,415,699	1,063,079	1,395,033	410,550	1,701,700	13,986,061
At 31 December 2020	6,365,975	1,074,462	1,533,022	434,700	1,944,800	11,352,959

Amortisation on intangible assets is charged to administrative expenses.

Customer contracts, brand and software relate to individually identifiable intangible assets relating to the Simeio group acquisition.

Trademarks relate to all other intangible assets.

Notes to the financial statements (continued)
For the year ended 31 December 2021

13 Tangible fixed assets

	Buildings and Fixtures and refurbishments	Fittings and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	278,826	230,277	896,497	1,405,600
Additions	1,027,592	767,370	494,577	2,289,539
Business combinations	35,285	38,388	60,440	134,113
	<u>1,341,703</u>	<u>1,036,035</u>	<u>1,451,514</u>	<u>3,829,252</u>
At 31 December 2021	1,341,703	1,036,035	1,451,514	3,829,252
Depreciation and impairment				
At 1 January 2021	211,567	135,543	535,969	883,079
Depreciation charged in the year	55,265	225,435	296,975	577,675
Exchange adjustments	19,136	38,238	60,299	117,673
	<u>285,968</u>	<u>399,216</u>	<u>893,243</u>	<u>1,578,427</u>
At 31 December 2021	285,968	399,216	893,243	1,578,427
Carrying amount				
At 31 December 2021	<u>1,055,735</u>	<u>636,819</u>	<u>558,271</u>	<u>2,250,825</u>
At 31 December 2020	<u>67,259</u>	<u>94,734</u>	<u>360,528</u>	<u>522,521</u>

Depreciation on tangible assets is charged to administrative expenses.

Causeway Technologies Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

14 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	15	3,853,375	3,435,412

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021	3,435,412
Additions	4,420,263
Transfer on hive-ups	(4,002,300)
At 31 December 2021	3,853,375
Carrying amount	
At 31 December 2021	3,853,375
At 31 December 2020	3,435,412

On 14 May 2021, the company acquired 100% of the share capital of Enhance Consultancy Ltd for initial consideration of £1,238,213 and deferred consideration of £1,000,000.

On 11 October 2021, the company acquired 100% of the share capital of Thecadcube Ltd for initial consideration of £1,594,050 and deferred consideration of £588,000.

Immediately following the acquisitions, the trade and assets arising from both these transactions were hived up into Causeway Technologies Limited which resulted in a transfer from investments to goodwill (further details of the hive up are given in note 24 below).

Causeway Technologies Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

15 Subsidiaries

The following are subsidiary undertakings of the company.

Those companies held 100% indirectly through BR Data Limited are marked with a *.

Those companies held 100% indirectly through Simeio Limited are marked with a **.

Those companies held 100% indirectly through Donseed UK Limited are marked with a ***.

Name of undertaking	Country of incorporation	Principal activity	Class of shares held	Holding
Vixen Software Solutions Limited	United Kingdom (1)	Dormant	Ordinary	100
Integrated FM Limited	United Kingdom (1)	Dormant	Ordinary	100
BR Network Limited*	United Kingdom (2)	Provision of sub-contractor services	Ordinary	100
Enhanced BDM Limited*	United Kingdom (1)	Provision of sub-contractor services	Ordinary	100
BR Data Limited	United Kingdom (2)	Holding company	Ordinary	100
Simeio Limited	United Kingdom (1)	Investment holding company	Ordinary	100
Donseed UK Limited**	United Kingdom (1)	Provision of software and consultancy services for construction companies	Ordinary	100
Powershift Media Limited**	United Kingdom (1)	Marketing and IT development agent	Ordinary	100
NJW Limited	United Kingdom (1)	Provision of software and consultancy services for facilities companies	Ordinary	100
Donseed Limited***	Ireland	Provision of software and consultancy services for construction companies	Ordinary	100
Aurora Construction and Security Limited***	United Kingdom (1)	Provision of software and consultancy services for construction companies	Ordinary	100
Enhance Consultancy Ltd	United Kingdom (1)	Provision of software and consultancy services for construction companies	Ordinary	100
Thecadcube Ltd	United Kingdom (3)	Provision of software and consultancy services for construction companies	Ordinary	100

Causeway Technologies Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

15 Subsidiaries (continued)

The registered offices of the subsidiary undertakings are as follows:

United Kingdom (1)	Third Floor, Sterling House, 20 Station Road, Gerrards Cross, Buckinghamshire, England, SL9 8EL
United Kingdom (2)	2nd Floor Whatman House, St. Leonards Road, Allington, Maidstone, ME16 0LS
United Kingdom (3)	133 Fountainbridge, Edinburgh, Midlothian, Scotland, EH3 9BA
Ireland	49 Woodfield, Rathfarnham, Dublin 16, Co. Dublin, D16 K5W7

The subsidiary Project Locator Limited which was held 100% indirectly through BR Data Limited was dissolved on 1 June 2021.

16 Stocks

	2021	2020
	£	£
Raw materials and consumables	298,219	340,076

The carrying value of stocks are stated net of impairment losses totalling £Nil (2020: £Nil). Impairment losses totalling £Nil (2020: £Nil) were recognised in profit and loss.

17 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	5,355,705	5,640,679
Amounts owed by group undertakings	23,661,980	14,430,339
Other debtors	86,846	10,525,258
Prepayments and accrued income	1,483,320	1,280,406
	<u>30,587,851</u>	<u>31,876,682</u>

An impairment loss of £275,268 (2020: £291,440) was recognised against trade debtors.

Amounts owed by group undertakings are receivable on demand and bear interest at 1% above the rate of interest set out in a facility agreement between Guggenheim Partners Europe Limited, Barclays Bank and Invesco Technologies Holdings Limited.

18 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Obligations under finance leases	21	355,392	-
Trade creditors		1,124,965	1,089,953
Amounts owed to group undertakings		10,218,276	6,197,522
Corporation tax		209,913	341,932
Other taxation and social security		1,102,218	2,888,688
Other creditors		85,136	3,128,646
Accruals and deferred income		21,217,546	20,068,835
		<u>34,313,446</u>	<u>33,715,576</u>

Deferred income of £19,825,585 (2020: £18,399,554) is included within accruals and deferred income. This balance comprises amounts received in advance with turnover deferred until the service has been provided and hence does not represent a future cash outflow.

Other creditors in the prior year included deferred consideration of £2,760,000 due in respect of the acquisition of the Simeio group.

19 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	21	282,381	-
Other borrowings	20	-	4,760,824
Other creditors		1,588,000	-
		<u>1,870,381</u>	<u>4,760,824</u>

The prior year loan notes of £4,760,824 accrue interest at 3% per annum on the principal. The loan notes were subordinated to the bank loan in Invesco Technologies Holdings Limited. These loan notes were settled in advance of their repayment dates and were therefore cleared as at year end.

Other creditors includes deferred consideration of £1,588,000 due in respect of the acquisitions of Enhance Consultancy Ltd and Thecadcube Ltd.

Notes to the financial statements (continued)

For the year ended 31 December 2021

20 Loans

Analysis of the maturity of the loans is given below:

	2021	2020
	£	£
Amounts falling due between 2-5 years		
Loan notes payable to related parties	-	4,760,824

21 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	355,392	-
In two to five years	282,381	-
	<u>637,773</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021	Liabilities 2020
	£	£
Balances:		
Accelerated capital allowances	412,575	380,381
Tax losses	(1,769)	(41,344)
Short term timing differences	(42,974)	88,711
	<u>367,832</u>	<u>427,748</u>

Causeway Technologies Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

22 Deferred taxation (continued)

	2021
	£
Movements in the year:	
Liability at 1 January 2021	427,748
Credit to profit or loss	(59,916)
Liability at 31 December 2021	<u>367,832</u>

23 Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
11,200,000 (2020: 11,200,000) Ordinary shares of £0.001 each	<u>11,200</u>	<u>11,200</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

24 Acquisitions

On 14 May 2021 the company acquired 100% of the share capital of Enhance Consultancy Ltd.

Immediately after the acquisition, all trade and assets were hived up into Causeway Technologies Limited at book value.

In order to best reflect the substance of this transaction, the hive up has been accounted for using acquisition accounting and adjustments have been made to reflect the fair value adjustments and the associated goodwill arising from the transaction.

Causeway Technologies Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

24 Acquisitions (continued)

	Fair Value £
Property, plant and equipment	6,796
Trade and other receivables	169,920
Cash and cash equivalents	374,073
Trade and other payables	(200,216)
Tax liabilities	(45,891)
Total identifiable net assets	<u>304,682</u>
Goodwill	1,933,531
Total consideration	<u><u>2,238,213</u></u>
Satisfied by:	£
Cash	1,238,213
Deferred consideration	1,000,000
	<u><u>2,238,213</u></u>
Cash outflow on acquisition	£
Purchase consideration settled in cash, as above	1,238,213
Less: Cash and cash equivalents acquired	(374,073)
	<u><u>864,140</u></u>

Causeway Technologies Limited

Notes to the financial statements (continued)
For the year ended 31 December 2021

24 Acquisitions (continued)

On 11 October 2021 the company acquired 100% of the share capital of Thecadcube Ltd.

Immediately after the acquisition, all trade and assets were hived up into Causeway Technologies Limited at book value.

In order to best reflect the substance of this transaction, the hive up has been accounted for using acquisition accounting and adjustments have been made to reflect the fair value adjustments and the associated goodwill arising from the transaction.

	Fair Value £
Trade and other receivables	128,874
Cash and cash equivalents	425,172
Trade and other payables	(440,766)
	<hr/>
Total identifiable net assets	113,280
Goodwill	2,057,138
	<hr/>
Total consideration	2,170,418
	<hr/> <hr/>
Satisfied by:	£
Cash	1,582,418
Deferred consideration	588,000
	<hr/>
	2,170,418
	<hr/> <hr/>
Cash outflow on acquisition	£
Purchase consideration settled in cash, as above	1,582,418
Less: Cash and cash equivalents acquired	(425,172)
	<hr/>
	1,157,246
	<hr/> <hr/>

25 Contingent liabilities

The company and its parent Causeway Software Solutions Limited are parties to a cross guarantee in respect of bank borrowings of Invesco Technologies Holdings Limited. The amounts due to the bank at 31 December 2021 amounts to £60.5m (2020: £60.5m) and net of unamortised issue costs to £60,310,278 (2020: £60,125,539).

The company, set up an incentive arrangement in the years ended 31 December 2010 to 2014 for key management personnel. These arrangements are currently subject to enquiry by HMRC.

If HMRC determine that the arrangements are not a valid incentive plan for tax purposes, Employer's and Employee's National Insurance Contributions and PAYE could be due and payable by the company. HMRC have not given an indication as to when they might conclude their enquiry. The directors are vigorously defending the tax status of the arrangements and are of the opinion that no further tax liabilities will arise. However, it is considered appropriate to disclose a contingent liability in respect of this issue.

If HMRC were successful in challenging the position, the directors' current best estimate of the maximum potential exposure is £2.4m. However, under the terms of the arrangement, the company has recourse to the beneficiaries of the arrangement for reimbursement of the PAYE and Employees' National Insurance Contributions amounting to £1.5m. This has the potential to substantially reduce any net exposure. The company intends to exercise this right. It continues to be uncertain when this matter will be resolved.

There were no other contingent liabilities at 31 December 2021 or 31 December 2020.

26 Pension commitments

	2021	2020
	£	£
Charge to profit or loss in respect of defined contribution schemes	579,682	477,628

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension costs charge represents contributions payable by the group to the fund and amounted to £579,682 (2020: £477,628). Contributions totalling £126,361 (2020: £92,924) were payable to the fund at the reporting date and are included in creditors.

Causeway Technologies Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

27 Operating lease commitments

At 31 December 2021 the Group and the Company had future minimum lease payments under non-cancellable operating leases relating to land and buildings as follows:

	2021	2020
	£	£
Within one year	132,236	512,500
Between two and five years	1,200,260	-
	<u>1,332,496</u>	<u>512,500</u>

28 Reserves

Share premium

The share premium account includes any premiums received on the issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium.

Profit and loss account

The profit and loss account includes all current and prior year retained profits and losses.

29 Charges

The company has granted numerous fixed and floating charges over its assets in respect of the facilities in note 25 Contingent liabilities, as detailed below. All relate to the new facility being agreed and subsequent drawdowns in the facilities.

On 2 June 2017, the company granted a fixed and floating charge over all of its assets in respect of the aforementioned facilities. This charge was satisfied subsequent to the year end on 10 February 2022.

On 4 May 2018, the company granted a fixed and floating charge over all of its assets in respect of the aforementioned facilities. This charge was satisfied subsequent to the year end on 10 February 2022.

On 10 January 2019, the company granted a fixed and floating charge over all of its assets in respect of the aforementioned facilities. This charge was satisfied subsequent to the year end on 10 February 2022.

On 6 March 2019, the company granted a fixed and floating charge over all of its assets in respect of the aforementioned facilities. This charge was satisfied subsequent to the year end on 10 February 2022.

On 6 March 2020, the company granted a fixed and floating charge over all of its assets in respect of the aforementioned facilities. This charge was satisfied subsequent to the year end on 10 February 2022.

On 27 January 2021, the company granted a fixed and floating charge over all of its assets in respect of the aforementioned facilities. This charge was satisfied subsequent to the year end on 10 February 2022.

30 Events after the reporting date

Subsequent to the year end, the company granted a floating charge over all of its assets in respect of the new facilities arranged as mentioned in note 25. This new charge related to a drawdown in the new facilities from February 2022. This charge remained outstanding at the date of the signing of the financial statements.

On 28 May 2022, the company acquired 100% of the share capital of Yotta Limited. The final consideration is subject to change but is currently projected to be £49,470,000, and the enterprise value is £52,000,000.

31 Related party transactions

During the year the company incurred expenses of £9,500 (2020: £4,000) on behalf of Livestax Limited, a related party by virtue of common directors. At the year end £37,725 (2020: £28,225) was owed by Livestax Limited to the company.

During the prior year, the company agreed a £10,000,000 loan, with interest accruing at 3% per annum, with SIG International Investments Limited, a related party at the time of the agreement by virtue of its then shareholding in the Group. At the year end £Nil (2020: £10,258,904) was owed by SIG International Investments Limited to the company.

During the year the company purchased services of £100,000 (2020: £100,000) from TXF Network Limited, a related party by virtue of common directors. At the year end £Nil (2020: £Nil) was owed to TXF Network Limited by the company.

During the year the company incurred expenses of £Nil (2020: £250) on behalf of Aniventure Limited, a related party by virtue of common directors. At the year end £Nil (2020: £250) was owed by Aniventure Limited to the company.

During the year the company lent £500 (2020: £100) to the Sir Clive Woodward Foundation, a related party by virtue of common directors. At the year end £Nil (2020: £Nil) was owed by the Sir Clive Woodward Foundation to the company.

During the year the company incurred expenses of £100,000 (2020: £69,000) on behalf of Haringtons Salons Limited, a related party by virtue of common directors. At the year end £Nil (2020: £Nil) was owed by Haringtons Salons Limited to the company.

During the year the company lent £1,042 (2020: £Nil) to PPFAB Services Limited, a related party by virtue of common directors. At the year end £Nil (2020: £Nil) was owed by PPFAB Services Limited to the company.

During the year the company purchased services of £298 (2020: £Nil) from Bodyhero Limited, a related party by virtue of common directors. At the year end £Nil (2020: £Nil) was owed to Bodyhero Limited by the company.

As a wholly owned subsidiary of Invesco Software Holdings Limited, the company is exempt under FRS 102 from the requirement to disclose transactions with other members of the Group headed by Invesco Software Holdings Limited.

32 Ultimate controlling party

The ultimate holding company of this company is Invesco Software Holdings Limited, a company incorporated in England & Wales. Copies of the Group financial statements can be obtained from Third Floor, Sterling House, 20 Station Road, Gerrards Cross, Buckinghamshire, England, SL9 8EL.

There is no one individual with ultimate control.

The results of the group headed by Invesco Software Holdings Limited are consolidated and this is the largest and smallest of group undertakings for which group accounts are drawn up. Copies of the group financial statements of Invesco Software Holdings Limited can be obtained from Third Floor, Sterling House, 20 Station Road, Gerrards Cross, Buckinghamshire, England, SL9 8EL.