

Company Registration No. 2285524

SmartStream Technologies Limited

Annual Report and Financial Statements

31 December 2023

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SmartStream Technologies Limited

Contents	Page
Corporate information	1
Annual report	2
Statement of directors' responsibilities in respect of the financial statements	10
Independent auditors' report	11
Income statement	14
Statement of comprehensive income	15
Statement of financial position	16
Statement of changes in equity	18
Notes to the financial statements	19

SmartStream Technologies Limited

Corporate information

Directors

R Bowler
P Thomas

Secretary

S Sultana

Registered office

62-64 Cornhill first floor
London
EC3V 3NH

Independent auditors

PricewaterhouseCoopers LLP
2 Glass Wharf
Temple Quay
Bristol
BS2 0FR

Bankers

The Royal Bank of Scotland
Bolton Corporate and Commercial Service Center
Parkland,
De Havilland Way, Horwich
Bolton
BL6 4SD

SmartStream Technologies Limited

Company registration No. 2285524

Annual report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2023.

STRATEGIC REPORT

Principal activities

The principal activities of the Company are the development, distribution and service of its Transaction Lifecycle Management software products and provision of Data Management Services for back office processing, primarily to the financial services industry. There have been no significant changes in the Company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Restatement of the year ended 31 December 2022

During 2023 the Company reviewed the costs that had been reported as cost of sales and operating expenses to bring the classification in line with the nature of the activities being performed. Following this review, cost of support and client services is now reported in cost of sales, and the accounts for the year ended 31 December 2022 have been restated as summarised below. There was no impact on 2022 Operating Profit or the Statement of Financial position.

	Effect on 2022 £000
Increase in Cost of Sales	4,475
Decrease in Operating expenses	(4,475)
	<hr/>
(Decrease) in Support and client services	(702)
Increase in Sales and marketing	675
Increase in General and administration	27
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	<hr/>

Business review

As shown in the Company's income statement on page 14, for the year ended 31 December 2023 the Company achieved revenues of £42.9 million (2022: £51.3 million) and operating loss before exceptional items, goodwill and intellectual property rights (IPR) amortisation and depreciation of £0.3 million (2022: profit of £8.0 million). After charging exceptional items, goodwill and IPR amortisation and depreciation, the operating loss was £5.5 million (2022: profit £4.3 million).

SmartStream Technologies Limited

Company registration No. 2285524

Annual report

STRATEGIC REPORT (continued)

Business review (continued)

The key performance indicators monitored by the Company to measure its progress against its future strategy are shown in the table below:

	2023	2022	Definition and method of calculation
Revenue (decline)/growth	(16.3%)	10.0%	Year on Year Revenue (decline)/growth expressed as a percentage
Adjusted EBITDA ⁽ⁱ⁾ margin	(0.61%)	15.5%	Adjusted EBITDA margin is the ratio of Adjusted EBITDA to Revenue expressed as a percentage
Cash at Bank	<u>£3.1m</u>	<u>£4.2m</u>	Cash and cash equivalents

- (i) Adjusted EBITDA is defined as operating (loss)/profit before exceptional items, amortisation and depreciation.

The reduction in the Company's revenue of £8.4 million compared with 2022 is due to a decrease of £4.7 million in licence revenues following the recognition of one-time license revenues from the sale of a term licence arrangement in December 2022 and a decrease of £5.1 million in royalties from group companies due to a reduction in their financial performance. These reductions in revenues together with increases in operating expenses resulted in Adjusted EBITDA being a loss.

Following the resignation of Mr Kaddoura, the Group's CEO in September 2023, Mr Akber Jaffer was appointed as the new Group CEO. Mr Jaffer is carefully reviewing the shape and structure of SmartStream and is making some organisational changes to meet future challenges and opportunities, including a rebalancing and restructuring of the cost base, which includes that of the Company.

SmartStream Technologies Limited

Company registration No. 2285524

Annual report (continued)

STRATEGIC REPORT (continued)

Future strategy

The Company intends to continue to deliver innovative and reliable solutions that enhance operational efficiency and to be a leading player in the financial services technology industry and a globally recognised authority in post trade processing and cash management technology.

Outlook

The Directors remain confident in the underlying demand for the Company's solutions and expect to maintain current levels of investment in innovation and service so that it can capitalise on future market opportunities among its existing customers and with new names.

Research and development

The Company continues to invest in research and development, providing customers with enhanced functionality. During the year, the Company determined that development costs of £1.9 million qualified for capitalisation (2022: £3.4 million). These capitalised development costs are in respect of individual product enhancements which have been individually assessed against the required capitalisation criteria and been individually assigned useful economic lives reflecting the maturity and availability of comparable applications in our markets. The useful economic lives for costs capitalised during the year are assessed to be between three and five years. The amortisation charge is recognised in the income statement.

As disclosed in note 8 to the financial statements, the Company expensed £27.8 million relating to software development activities in the year (2022: £26.5 million).

Principal risks and uncertainties

The Company operates in a highly competitive marketplace, which presents a continuing risk of loss of sales to its key competitors, or through customers choosing to build internal solutions or deferring investment decisions. The Company manages this risk by maintaining strong relationships with its customers, by keeping its products at the leading edge by continued investment in research and development, and by providing high levels of support for its products in the field.

Levels of new business

Winning new business is essential for the Company's continued growth and to achieve revenue and profit targets. Although the sales team are experienced, sales cycles can be unpredictable and influenced by a variety of factors, such as customer investment decisions. The Company mitigates this risk by building a pipeline by investing in marketing activities, focusing on success by evaluating and progressing opportunities to closure.

Foreign currency and interest rate risk

The Company operates in a global market and sales are made in a variety of currencies: principally Pounds Sterling, Euros and US Dollars. The Company is therefore exposed to fluctuations in exchange rates. The Company's finance function manages this exposure by ensuring that there is a reasonable match between assets and liabilities denominated in the major currencies of operations.

SmartStream Technologies Limited

Company registration No. 2285524

Annual report (continued)

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Credit risk

The Company's principal financial assets are cash and cash equivalents, trade and other receivables, and investments.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is based on expected credit loss. The credit risk on liquid funds is reviewed through the selection of counterparties with appropriate credit-ratings as 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's liquidity management policy is to ensure the maintenance of sufficient cash and availability of funding through credit facilities as necessary.

Management uses projected cash flows in major currencies to consider the level of liquid assets necessary to meet these cash flows.

Section 172(1) Statement

Section 172(1) of the Companies Act 2006 provides that the directors of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long-term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the company.

The Company's immediate parent undertaking is SmartStream Technologies Holding Investments Limited ("STHI") incorporated in Dubai, United Arab Emirates. The Board of Directors of STHI acknowledge that the business can only grow and prosper over the long term if it understands and respects the views and needs of its customers, employees and suppliers. The Board of Directors delegates day-to-day decision making to the Executive Management team, which includes the Directors of the Company, within an agreed control framework.

This section describes how the Directors have had regard to the matters set out in section 172(1)(a)–(f) of the Companies Act 2016 and forms the statement required under section 414CZA of that Act. In making this statement, the Directors have focused on matters of strategic importance to the Company, having regard to the size and complexity of its business.

SmartStream Technologies Limited

Company registration No. 2285524

Annual report (continued)

STRATEGIC REPORT (continued)

Section 172(1) Statement (continued)

Employees

Consideration

The Company's employees are an essential part in delivering its objectives, creating, delivering and supporting a range of industry leading solutions. The Company therefore promotes an appropriate culture, purpose and values, fostering a healthy working environment for its employees and supporting their physical and mental well-being.

How the Company engages

The Company sets objectives and carries out performance reviews which feed into the annual salary and bonus award process. The Company keeps its employees up to date through periodic updates on company performance and successes and via a monthly publication reminding its readers of useful resources, new initiatives and to introduce new employees. These actions help to retain and develop talented individuals that continue to develop and innovate for the long term success of the Company.

Principal Decisions

STHI holds employee events and the Company's employees can meet up with colleagues and participate in fun activities in a relaxed environment.

Customers

Consideration

The Company engages with its customers to ensure that it understands their priorities and how it can help deliver against those. In doing so it builds a customer base with low attrition rates, which are referenceable, helping it to identify further sales opportunities.

How the Company engages

The Company engages with key accounts by appointing account managers. By chairing industry roundtables, participating in customer forums and publishing media it also engages with a wider base of users and market participants. These actions help to secure the existing revenue base and identify new market opportunities for the long term financial success of the Company.

Principal Decisions

The Company invested heavily to enhance the functionality and performance of its existing solutions and to incorporate machine learning and cloud-native technology.

Suppliers

Consideration

The Company recognises that it is dependent on many suppliers so that it can run its business without disruption and satisfy its obligations to customers. It also engages with key suppliers in order to understand how they would support the growth of new services to customers. Members of the Executive team have the responsibility to manage the key supplier relationships.

How the Company engages

The Company has on-going dialogue with a small number of key suppliers who play an essential part in the product development cycle and in the provision of hosted services to customers. This engagement helps to ensure that the Company can adhere to its contractual obligations with key suppliers and customers, maintaining a good reputation which is essential for the long term sustainability of the Company.

SmartStream Technologies Limited

Company registration No. 2285524

Annual report (continued)

STRATEGIC REPORT (continued)

Section 172(1) Statement (continued)

Suppliers (continued)

Principal Decisions

The Company did not make any significant decisions in the year affecting its suppliers.

The Company is committed to corporate sustainability and to an ethical and principled approach of doing business.

The Strategic Report was approved by the Board of Directors on 16 September 2024.

On behalf of the Board



R Bowler

Director

16th September 2024

SmartStream Technologies Limited

Company registration No. 2285524

Annual report (continued)

DIRECTORS' REPORT

Results and dividends

The profit for the year of £3.7 million (2022: £14.6 million) has been added to reserves.

The Directors do not recommend the payment of a dividend (2022: £nil).

Overseas branches

The Company has a branch in Canada. The results of the branch have been aggregated within these financial statements as of 31 December 2023.

Directors and their interests

The Directors during the year, and to the date of signing these financial statements, were as follows:

P Thomas
R Bowler

The Directors held no beneficial interests in the shares of the Company during the year.

Directors' indemnities

The Articles of Association of the Company contain an indemnity in favour of all of the Directors of the Company that, subject to law, indemnifies the Directors from the assets of the Company against any liability incurred by them in defending any proceedings in which judgement is given in their favour (or otherwise disposed of without any finding or admission of any material breach of duty on their part).

There is a qualifying third party indemnity provision in place for the directors of the Company during the financial year and at the date of approval of the financial statements.

Going concern basis

As at 31 December 2023, the current assets of the Company exceed its current liabilities by £129 million (2022: £127 million). The Company has a history of earning profits and achieving good margins and the Directors remain confident in the underlying demand for the Company's solutions, given the advantages of efficiency, risk reduction and cost reduction that they deliver to the user.

As a result of the above, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Disabled employees

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 with the Company continues and that 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.

SmartStream Technologies Limited

Company registration No. 2285524

Annual report (continued)

DIRECTORS' REPORT (continued)

Future developments and principal risks are discussed in the Strategic report.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and Company-wide announcements on the Company's performance and key sales.

Details the directors regard to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year has been disclosed in the strategic report.

Carbon Emissions

The Company's greenhouse gas emissions data for the year ended 31 December 2023 is reported in the consolidated financial statements of D-Clear Europe Limited.

Research and Development

An indication of the company's research and development activities are included within the strategic report.

Independent auditors and disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The independent auditors, PricewaterhouseCoopers LLP have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.



R Bowler

Director

15th September 2024

SmartStream Technologies Limited

Company registration No. 2285524

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board,



R Bowler
Director

6 September 2024

SmartStream Technologies Limited

Independent auditors' report to the members of SmartStream Technologies Limited

Report on the audit of the financial statements

Opinion

In our opinion, SmartStream Technologies Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2023; the Income statement, the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

SmartStream Technologies Limited

Independent auditors' report to the members of SmartStream Technologies Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. 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.

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.

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

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

SmartStream Technologies Limited

Independent auditors' report to the members of SmartStream Technologies Limited (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of unusual journal entries to increase revenue or EBITDA in order to show favourable results to the shareholders and management bias in determining accounting estimate. Audit procedures performed by the engagement team included:

- Discussions with management and the Directors, including consideration of known or suspected instances of non-compliance with laws and regulations, claims and fraud;
- Reviewing board minutes for evidence of breaches of laws and regulations and reading relevant correspondence;
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations relating to revenue or EBITDA; and
- Challenging assumptions and judgements made by management in their significant accounting estimates. Where such estimates were based upon models or management's data, testing was performed on the underlying model and data to validate the reliability of the model and the data upon which estimates were based; and
- Performing unpredictable audit procedures which are changed year on year.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Stephen Patey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
16 September 2024

SmartStream Technologies Limited

Company registration No. 2285524

Income statement for the year ended 31 December 2023

	Note	2023 £000	Restated 2022 £000
Turnover	5	42,918	51,306
Cost of sales	8	(8,141)	(9,411)
Gross profit		<u>34,777</u>	<u>41,895</u>
Operating expenses	8	(39,633)	(37,282)
Provision for receivables impairment		(28)	(363)
Other operating income	6	708	89
Exceptional items	8	(1,285)	(54)
Operating (loss)/profit	8	<u>(5,461)</u>	<u>4,285</u>
Interest receivable and similar income	9	13,177	13,576
Interest payable and similar expenses	10	(4,323)	(1,921)
Profit before taxation		<u>3,393</u>	<u>15,940</u>
Tax on profit	11	276	(1,359)
Profit for the financial year		<u><u>3,669</u></u>	<u><u>14,581</u></u>

Details of the restatement are presented in note 8

The accompanying notes on pages 19 to 48 are an integral part of these financial statements.

SmartStream Technologies Limited

Company registration No. 2285524

Statement of comprehensive income for the year ended 31 December 2023

	2023 £000	2022 £000
Profit for the financial year	<u>3,669</u>	<u>14,581</u>
Other comprehensive (expense)/income		
Other comprehensive (expense)/income to be reclassified to profit and loss in subsequent periods:		
Foreign exchange differences on translation of foreign operations	(31)	75
Total comprehensive income	<u><u>3,638</u></u>	<u><u>14,656</u></u>

The accompanying notes on pages 19 to 48 are an integral part of these financial statements.

SmartStream Technologies Limited

Company registration No. 2285524

Statement of financial position

as at 31 December 2023

	Note	2023 £000	2022 £000
Non-current assets			
Intangible assets	12	31,130	30,107
Tangible assets	13	344	434
Right-of-use assets	14	123	369
Investments	15	2,658	2,658
Deferred tax asset	11	1,954	2,401
		<hr/>	<hr/>
		36,209	35,969
Current assets			
Trade and other receivables	16	12,379	18,102
Amounts owed by group undertakings	16	201,804	186,983
Contract assets		210	25
Income tax receivable		1,453	-
Cash at bank and in hand		3,092	4,195
		<hr/>	<hr/>
		218,938	209,305
Current liabilities			
Trade and other payables	17	(75,720)	(67,615)
Contract liabilities	17	(13,735)	(14,656)
Lease liabilities		(112)	(322)
Provisions for liabilities	18	(172)	(10)
		<hr/>	<hr/>
		(89,739)	(82,603)
Net current assets		<hr/>	<hr/>
		129,199	126,702
Total assets less current liabilities		<hr/>	<hr/>
		165,408	162,671
Non-current liabilities			
Lease liabilities		(17)	(95)
Uncertain tax provision and related interest	11	(99)	(760)
Provisions for liabilities	18	-	(162)
		<hr/>	<hr/>
Net assets		<hr/>	<hr/>
		165,292	161,654

The accompanying notes on pages 19 to 48 are an integral part of these financial statements.

SmartStream Technologies Limited

Company registration No. 2285524

Statement of financial position

as at 31 December 2023

	Note	2023 £000	2022 £000
Capital and reserves			
Called up share capital	19	10,000	10,000
Share premium account		24,186	24,186
Capital contribution reserve		6,026	6,026
Foreign currency translation reserve		(62)	(31)
Profit and loss account		125,142	121,473
Total shareholders' funds		<u>165,292</u>	<u>161,654</u>

The accompanying notes on pages 19 to 48 are an integral part of these financial statements.

These financial statements on pages 14 to 48 were approved and authorised for issue by the Board of Directors on *16th September* 2024.

Signed on behalf of the Board of Directors



R Bowler
Director

SmartStream Technologies Limited

Company registration No. 2285524

Statement of changes in equity for the year ended 31 December 2023

	Share capital £000	Share premium account £000	Capital contribution reserve ⁽ⁱ⁾ £000	Foreign Currency Translation reserve £000	Profit & loss account £000	Total shareholders' funds £000
As at 1 January 2022	10,000	24,186	6,026	(106)	106,892	146,998
Profit and total comprehensive income for the year	-	-	-	75	14,581	14,656
As at 31 December 2022 and 1 January 2023	10,000	24,186	6,026	(31)	121,473	161,654
Profit and total comprehensive income for the year	-	-	-	(31)	3,669	3,638
As at 31 December 2023	10,000	24,186	6,026	(62)	125,142	165,292

- (i) On completion of the acquisition of the Company's parent, SmartStream Technologies Holdings Limited, on 31 August 2006, an acquisition bonus was paid to Directors and key employees. The liability to pay these bonuses was that of the acquiring company, SmartStream Acquisitions Limited, which reimbursed the Company the expense of these bonuses paid on its behalf. The payment in the year ended 30 June 2007 of £6,026,000 from SmartStream Acquisitions Limited in respect of exit bonuses recognised by the Company represented a capital contribution by SmartStream Acquisitions Limited.

The accompanying notes on pages 19 to 48 are an integral part of these financial statements.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

1. General Information

The financial statements of SmartStream Technologies Limited (the "Company") for the year ended 31 December 2023 were authorised for issue by the board of directors on ~~16 September~~ 2024 and the statement of financial position was signed on the board's behalf by R Bowler, director. SmartStream Technologies Limited is a private company limited by shares and is incorporated and domiciled in England and Wales, United Kingdom.

The principal activities of the Company are the development, distribution and service of its Transaction Lifecycle Management software products and provision of Data Management Services for back office processing, primarily to the financial services industry. The address of the registered office is 62-64 Cornhill first floor, London, EC3V 3NH, United Kingdom.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements have been prepared on a historical cost basis. The company has used a true and fair view override in respect of the non amortisation of goodwill (see note 3). The principal accounting policies have been applied consistently and are set out below.

The Company's financial statements are presented in pounds and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a. the requirements of IFRS 7 *Financial Instruments: Disclosures*. The equivalent disclosures are included in the consolidated financial statements of the group in which the Company is consolidated;
- b. the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- c. the requirements of IAS 7 Statement of Cash Flows;
- d. the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- e. the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- f. the requirement from paragraph 10(f) in IAS 1 to present a statement of financial position as at the beginning of the preceding period where an entity makes a retrospective restatement of its financial statements.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

2. Basis of preparation (continued)

Going concern basis

As at 31 December 2023, the current assets of the Company exceed its current liabilities by £129 million (2022: £127 million). The Company has a history of earning profits and achieving good margins and the Directors remain confident in the underlying demand for the Company's solutions, given the advantages of efficiency, risk reduction and cost reduction that they deliver to the user.

As a result of the above, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

New Standards, amendments and IFRIC interpretations

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- Definition of Accounting Estimates – amendments to IAS 8
- International Tax Reform – Pillar Two Model Rules – amendments to IAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Consolidation

The Company has taken advantage of the exemption available under s401 of the Companies Act 2006 and has not prepared group financial statements. The Company is an indirectly-held wholly owned subsidiary of SmartStream Technologies Holding Investments Limited, a Company incorporated in United Arab Emirates, which produces group financial statements in accordance with International Financial Reporting Standard (IFRS). Copies of the group financial statements of SmartStream Technologies Holding Investments Limited are available from unit S2303, level 23, Emirates Financial Towers, Dubai International Financial Center, PO BOX 507084, Dubai, United Arab Emirates.

These financial statements present information about the Company not about its group.

3. Material accounting policies

Revenue recognition

The Company has applied the following accounting policy in the preparation of its financial statements.

The Company enters into arrangements, which may include the sale of licenses of the Company's software products and packaged configurations ("software"), professional services, maintenance and the provision of data management services, business processing services or various combinations of products or services. Revenue from the sale of software consists of perpetual or term licenses or subscription, all of which provide the customers with the right to use the Company's software.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Revenue recognition (continued)

The Company recognises revenue from contracts with customers based on the five step model set out in IFRS 15:

Step 1 Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify the performance obligations in the contract: A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as and when the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Significant financing component

The Company evaluates a significant financing component, if the period between customer payment and the transfer of goods/ services (both for advance payments or payments in arrears) is more than one year. Company adjusts the promised amount of consideration for the time value of money using an appropriate interest rate reflecting the credit risk.

Contract modification

A contract modification occurs when the Company and the customer approve a change in the contract that either creates new enforceable rights and obligations or changes the existing enforceable rights and obligations. Revenue related to a modification is not recognised until it is approved. Approval can be in writing, oral, or implied by customary business practices.

Company treats the contract modification as a separate contract if it results in the addition of a separate performance obligation and the price reflects the standalone selling price of that performance obligation. Otherwise, a modification (including those that only affect the transaction price) is accounted for as an adjustment to the original contract, either prospectively or through a cumulative catch-up adjustment.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Revenue recognition (continued)

Contract modification (continued)

Company accounts for a modification prospectively if the goods or services in the modification are distinct from those transferred before the modification. Conversely, the Company accounts for a modification through a cumulative catch-up adjustment if the goods or services in the modification are not distinct and are part of a single performance obligation that is only partially satisfied when the contract is modified.

Cost of obtainment

The Company capitalises incremental costs to obtain a contract with a customer except if the amortisation period for such costs is less than one year.

The Company amortises the asset recognised for the costs to obtain a contract on a systematic basis, consistent with the pattern of transfer of the good or service to which the asset relates. In the case of an impairment, the Company recognises these losses to the extent that the carrying amount of the asset exceeds the recoverable amount.

In case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Recharged expenses

Expenses recharged to customers are netted against the costs incurred.

Licenses and recurring licences and services

The Company earns revenue from the sale of licenses, which provide the customers with the right to use the Company's software. Many customers who license software also enter into separate professional services arrangements with the Company.

The Company identifies each of the performance obligations in a contract that includes a promise to grant a license in addition to other promised goods or services. This includes an assessment of whether the:

- Customer can benefit from the license on its own or together with other resources that are readily available; and
- License is separately identifiable from other goods or services in the contract.

Professional Services are generally separable from the other elements under the arrangement since the performance of the services is not essential to the core software functionality of the software (i.e. the services do not involve significant production, modification or customisation of the software).

When a license is not distinct, then Company recognises revenue for the single performance obligation when or as the combined goods or services are transferred to the customer.

When a license is distinct from the other goods or services, then Company assesses its nature to determine whether to recognise revenue allocated to the license at a point in time or over time. To determine whether the performance obligation is satisfied at a point in time or over time, the Company evaluates whether the nature of its promise is to provide its customer with a right to:

- Access the intellectual property throughout the license period; or
- Use the intellectual property as it exists at the point in time at which the license is granted.

Where customers benefit over the implementation period from product enhancements normally provided as maintenance services, an element of the licence fee is deferred and recognised rateably over the implementation period up to the start of paid maintenance.

Revenues that are recognised ahead of billings are shown as accrued income.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Revenue recognition (continued)

Maintenance and support

Revenue from subscription and maintenance services is recognised rateably over the period of the contract.

Professional services

Revenue and profits from the provision of professional services, such as implementation, development, training and consultancy, are recognised:

- As the services are performed where sold on a time-and-materials basis
- on a percentage-of-completion basis, as costs incurred relate to total costs for the contract, when the outcome of a contract can be estimated reliably. Determining whether a contract's outcome can be estimated reliably requires management to exercise judgement, whilst calculation of the contract's profit requires estimates of the total contract costs to completion. Cost estimates and judgements are continually reviewed and updated as determined by events or circumstances.

If there is a significant uncertainty about the project completion or receipt of payment for professional services, revenue is deferred until the uncertainty is sufficiently resolved.

The Company recognises revenue for royalties charged to group undertakings. These royalties are in respect of products that have been developed in the United Kingdom and licenced to group undertakings to generate their own revenue.

The Company also recognises revenue in respect of fees charged to group undertakings in regard to management services provided by the group's central management who are compensated for their services by the Company.

Cost of sales

The Company's cost of sales includes the cost of software licensing from third-party vendors and distributor and reseller commissions.

Third party expenses include the cost of licensing third-party products contained in the Company's own products and commissions payable to distributors and resellers.

Goodwill

Goodwill is not subject to amortisation but is tested annually for impairment or more frequently if impairment indicators are identified. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

The UK Companies Act requires goodwill to be reduced by provisions for amortisation on a systematic basis over a period chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the Company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. The goodwill balance would have been nil had it been amortised in accordance with the requirements of UK Companies Act.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company's purchased software has an estimated useful life of 3 years.

Intellectual property rights obtained on acquisition in relation to the products and services used by the Company were valued by an independent valuer at the time of acquisition and were amortised on a straight-line basis over a period of 8 years.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's development activities is only recognised when both the identification and recognition criteria defined in IAS 38, *Intangible Assets*, are met:

- the technical feasibility of completing the asset so that it will be available for use has been achieved;
- the Group has the intention to complete the asset and use or sell it;
- the Group has the ability to use or sell the asset;
- it is probable that the asset created will generate future economic benefits;
- adequate technical, financial and other resources are available to the Group to complete the development and to use or sell the asset; and
- the development cost of the asset can be measured reliably.

If these conditions are not met, such development expenditure is recognised as an expense in the period in which it is incurred.

The qualifying expenditure capitalised represents costs directly attributable to the development of the asset. The expenditure capitalised is from the point at which the above criteria are met up to the point at which the product is considered available for use.

Internally generated intangible assets are amortised within operating expenses on a straight-line basis over their useful lives. The assessment regarding useful lives of capitalised development costs is based upon several factors including typical product lifecycle for similar assets in the market. Management assesses the useful life of capitalised development assets on a case-by-case basis. The useful life of capitalised development costs is 5 years.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. No depreciation is provided in the month the asset is purchased. The rates of depreciation are as follows:

Leasehold land and buildings	Remaining length of lease
Computer equipment and software	3 years
Furniture and fittings	5 years
Office equipment	5 years

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Impairment of tangible and intangible assets

At each balance sheet date the Company reviews the carrying amounts of its goodwill, intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The directors consider that the Company's current activity constitutes a single cash-generating unit.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease, up to the amount of any revaluation surplus.

Except for goodwill, if an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not such that the increased carrying amount exceeds the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately. Goodwill impairments are not reversed.

Foreign currencies

Transactions in currencies other than the Company's functional currency are recorded at prior month closing rates. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit and loss account for the period.

The assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the exchange rates prevailing on the balance sheet date for the prior period. Exchange differences arising, if any, are classified as equity and transferred to the Company's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Taxation

Income tax expense represents the sum of the current tax payable and deferred tax for the period.

The current tax payable or recoverable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in different periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the UK and foreign tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date, and is not discounted. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority or on the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Leasing

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most leases except where the Company has elected not to recognise leases that have a lease term of 12 months or less and leases of low-value assets.

Leases

At inception of a contract the Company assesses 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;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- 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.

At inception or on reassessment of a contract that contains a lease component and one or more additional lease or non-lease component, the Company may elect not to separate non-lease components and account for the lease and non-lease components as a single lease component.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Leases (continued)

Lease classification is made at the inception of the lease. The Company would reassess the lease classification only if there is a lease modification (i.e., a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease). The Company reassess lease classification as at the effective date of the modification using the modified conditions at that date. If a lease modification results in a separate new lease, that new lease would be classified in the same manner as any new lease.

As a lessee

Right-of-use asset

The Company recognises a right-of-use asset and a lease liability at the lease commencement date for contracts that meet the definition of lease under IFRS 16.

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 the 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 and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in similar economic environment. The Company determines its incremental borrowing rate with reference to its existing and historical cost of borrowing adjusted for the term and security against such borrowing.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using effective interest method. It is remeasured when there is a change in future lease payments arising from a change in a rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income statement if the carrying amount of the right-of-use asset has been reduced to zero.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

As a lessee (continued)

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 Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Company's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Pension costs

In the United Kingdom, employees are entitled to join a defined contribution pension scheme. Contributions to the scheme are charged to the profit and loss account as they become payable.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

At initial recognition, the Company measures financial assets and financial liabilities at fair value, including directly attributable transaction costs, which are added to or deducted from the fair value of financial assets or liabilities as appropriate. Transaction costs of financial assets or financial liabilities carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

The Company classifies its **financial assets** in the following measurement categories:

- those to be measured at amortised cost, and
- those to be measured subsequently at fair value (either through OCI or through profit or loss).

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold the financial 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.

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.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Financial instruments (continued)

Financial assets measured at FVOCI

Debt instruments may be classified as at FVOCI, where the contractual cash flows are solely payments of principal and interest on the outstanding principal, and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling the underlying asset. Debt instruments are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other gains and losses are recognised in OCI.

For *equity instruments* which are not held for trading or designated at FVTPL, the Company may irrevocably elect to recognise subsequent changes in other comprehensive income. The election is made on an investment by investment basis. These assets are subsequently measured at fair value. Foreign exchange gains and losses are recognised in profit or loss. Dividends, unless they clearly represent a recovery of part of the investment, are also recognised in profit or loss. Other gains and losses are recognised in OCI.

Financial assets measured at FVTPL

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL. All other financial assets are measured at FVTPL. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividends are recognised in profit or loss.

Financial liabilities

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 are subsequently measured at fair value. Net gains and losses are recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised when related contractual obligations are discharged or cancelled, or expired.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses ('ECL') associated with its financial assets. The Company measures impairment allowances either using the general or simplified method as considered appropriate.

Under the general approach, impairment allowances are measured at an amount equal to 12-month ECL except when there has been a significant increase in credit risk since inception. In such cases the Company measures impairment allowance at an amount equal to credit loss expected over the life of the financial asset.

Under the simplified approach, impairment allowances are always measured at an amount equal to lifetime ECL.

Trade and other receivables are subject to the expected credit loss model. The Company applies the IFRS 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, the trade receivables have been grouped based on shared credit risk characteristics and the days past due.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 31 December 2023 or 1 January 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of customers to settle the receivables. Other financial assets, including cash and cash equivalents and intercompany receivables, are also subject to the impairment requirements of IFRS 9. The identified impairment loss is immaterial.

Exceptional items

Exceptional items are those that in the Directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance.

Critical accounting judgements and key sources of estimation uncertainty

In preparing the financial statements, management makes judgements on how to apply the Company's accounting policies and make estimates about future events. The critical judgements that have been made in arriving at the amounts recognised in the financial statements and the key areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, are presented below:

Revenue recognition

The recognition of revenues arising from the sale of software licences and provision of professional services under the Company's accounting policies involves the exercise of management judgement in determining whether individual elements in multiple element arrangements may be recognised independently and the fair value to assign to each element, or should be recognised together. Management reviews the Company's customer contracts, the terms of which can be complex, and exercises judgement in determining whether an arrangement's outcome can be estimated reliably.

Management also makes estimates of the total cost of professional services, or in some instances total contract costs, which are used in determining the value of amounts recoverable and any related provisions. Estimates are continually revised based on changes in the facts relating to each arrangement.

Selection of useful life for intangible assets

The determination of the useful life of intangible assets, particularly on those arising on acquisition, involves the exercise of management judgement.

Impairment of goodwill and other intangible assets

Determining whether goodwill, intangible and tangible assets are impaired requires an estimation of the value in use of the cash-generating unit to which goodwill and other intangible assets have been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and the appropriate discount rate in order to calculate present value. The carrying amount of goodwill and intangible assets at each balance sheet date is shown in note 12.

Taxation

In recognising income tax assets and liabilities, Directors make estimates of the likely outcome of decisions by tax authorities on transactions and events whose treatment for tax purposes is uncertain. When the final outcome of such matters is different, or expected to be different, from previous assessments by management, a change to the carrying value of income tax assets and liabilities will be recorded in the period in which such a determination is made.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

3. Material accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Taxation (continued)

In recognising deferred tax assets and liabilities management also makes judgements about likely future taxable profits. The carrying values of current tax and deferred tax assets and liabilities are disclosed separately in the balance sheet.

Impairment of financial assets

To measure impairment allowance expected credit losses model is used under the requirements of IFRS 9. Expected credit losses are determined on a probability-weighted basis. Considerable judgment is also required in assessing how changes in economic factors affect 'ECL'.

Leases

Significant judgments and estimates arise on the application of IFRS 16, including the following:

- significant judgments made in calculating the discount rate used on the date of initial application;
- critical judgments in estimating the lease term and determining whether it is reasonably certain that any termination or extension options will be exercised.

4. Financial risk management

4.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management objective is to minimise potential adverse effects on the Company's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Company's finance function manages this exposure by ensuring that there is a reasonable match between assets and liabilities denominated in the major currencies.

(ii) Cash flow interest rate risk

The Group is not directly exposed to interest rate risk. At 31 December 2023 the Company had no long-term borrowings from third parties.

(b) Credit risk

The Company's credit risk arises from cash and cash equivalents and outstanding receivables.

The Company's credit risk is primarily attributable to its trade receivables. The Company's exposure to credit risk is spread over a large number of individual customers within the financial services industry. The credit quality of customers is assessed by reference to the customer's financial position, past experience and other factors.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

4. Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

Impairment

Trade and other receivables are subject to the expected credit loss model. The Company applies the IFRS 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, the trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 31 December 2023 or 1 January 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of customers to settle the receivables. Other financial assets, including cash and cash equivalents and intercompany receivables, are also subject to the impairment requirements of IFRS 9. The identified impairment loss is immaterial.

(c) Liquidity risk

The Company's liquidity management policy involves considering cash flows in major currencies and assessing the level of liquid assets necessary to meet these cash flows.

4.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. Its ability to provide support to its subsidiary undertakings depends in turn on the support that it receives from its parent undertaking.

As at 31 December 2023 the Company did not have any borrowings other than those owed to its parent and subsidiary undertaking.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

5. Turnover

Turnover may be analysed as follows and is stated net of value added tax.

	2023 £000	2022 £000
Analysis of turnover		
Licence	1,699	6,372
Recurring licence and services	16,535	16,493
Maintenance and support	10,652	9,459
Professional services	2,900	2,741
Royalties receivable from other group companies	11,132	16,241
	<u>42,918</u>	<u>51,306</u>

The Company's activities can be analysed on a geographical basis as follows:

	2023 £000	2022 £000
Turnover by destination		
United Kingdom	15,496	19,893
Europe	15,012	14,951
Rest of world	12,410	16,462
	<u>42,918</u>	<u>51,306</u>

6. Other operating income

£708,000 of which £303,000 relates to 2023 and £405,000 relates to prior years (2022: £89,000 of which £326,000 credit related to 2022 and a reduction of £104,000 related to prior years) representing the research and development tax credit relating to the Company's research and development activities in the UK.

7. Staff costs

	2023 No.	2022 No.
Monthly average number of persons employed (including directors)		
Technical staff	108	113
Management and administration	33	32
Sales and marketing	25	22
	<u>166</u>	<u>167</u>

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

7. Staff costs (continued)

	2023 £000	2022 £000
Staff cost during the year (including Directors):		
Wages, salaries and bonuses	13,037	12,506
Social security costs	1,422	1,490
Contributions to pension schemes	723	670
Other employment costs ⁽ⁱ⁾	79	59
	15,261	14,725
	15,261	14,725

(i) Other employment costs consist of employees' mobile phone costs and professional subscriptions.

Staff costs are part of operating expenses.

Pensions

The Company makes contributions to defined contribution schemes. The cost of these schemes to the Company amounted to £722,752 during the year (2022: £670,277). At 31 December 2023 the Company had £27,427 accrued in relation to these plans (2022: £124,932).

8. Operating (loss)/profit

	2023 £000	Restated 2022 £000
<u>Cost of sales</u>		
Third party expenses	1,636	1,399
Support and client services	4,489	4,475
Royalties	2,016	3,537
	8,141	9,411
	8,141	9,411
<u>Operating expenses</u>		
Research and development	29,625	29,816
Research and development capitalised	(1,867)	(3,350)
Sales and marketing	4,041	4,046
General and administration	3,920	3,147
Depreciation	520	470
Amortisation of intangible assets	3,394	3,153
	39,633	37,282
	39,633	37,282

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

8. Operating (loss)/profit (continued)

	2023 £000	2022 £000
Exceptional items ⁽ⁱ⁾	1,285	54
	<u>1,285</u>	<u>54</u>

- (i) The Company incurred cost of £530,000 in connection with directors' fees and Group CEO recruitment, £158,000 technology advice costs and £593,000 impairment of previously capitalised R&D costs. The Company also incurred £4,000 of legal costs in connection with former employees (2022: £29,000). 2022 costs included £25,000 in connection with a proposed disposal by the Group's shareholder.

	2023 £000	2022 £000
Operating (loss)/profit is stated after charging:		
Depreciation of owned assets	237	187
Depreciation of right-of use assets	283	283
Auditors' remuneration:		
Audit fees:		
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	104	92
Expenses related to short term leases	70	70
	<u>70</u>	<u>70</u>

The directors have agreed with the company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the company's financial statements for the year to 31 December 2023 should be limited to the greater of £5 million or 5 times the auditor's fees, and that in any event the auditor's liability for damages should be limited to that part of any loss suffered by the company as is just and equitable having regard to the extent to which the auditor, the company and any third parties are responsible for the loss in question. The shareholder has waived the requirement of approval of this limited liability agreement, as per the Companies Act 2006, by a resolution dated 13 March 2024.

During 2023 the Company reviewed the costs that had been reported as cost of sales and operating expenses to bring the classification in line with the nature of the activities being performed. Following this review, cost of support and client services is now reported in cost of sales, and the accounts for the year ended 31 December 2022 have been restated as summarised below. There was no impact on 2022 Operating Profit or the Statement of Financial position.

	Effect on 2022 £000
Increase in Cost of Sales	4,475
Decrease in Operating expenses	(4,475)
	<u> </u>
(Decrease) in Support and client services	(702)
Increase in Sales and marketing	675
Increase in General and administration	27
	<u> </u>
	<u> </u>

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

9. Interest receivable and similar income

	2023 £000	2022 £000
Interest receivable from group undertakings	13,078	10,981
Other interest	25	-
Uncertain tax provision interest credit	74	17
Foreign exchange gain	-	2,578
	<u>13,177</u>	<u>13,576</u>

10. Interest payable and similar expenses

	2023 £000	2022 £000
Interest payable to group undertakings	3,289	1,821
Lease liability interest	37	100
Foreign exchange loss	997	-
	<u>4,323</u>	<u>1,921</u>

11. Tax on profit

	2023 £000	2022 £000
Current taxation:		
Current tax on profits for the year	46	1,064
Adjustment in respect of prior years	(470)	76
Foreign tax relief/other relief	(46)	(249)
Movement in provision for uncertain tax treatments	(587)	(149)
Overseas tax charge	334	251
Total current tax	<u>(723)</u>	<u>993</u>
Deferred taxation:		
Origination and reversal of timing differences	(302)	354
Adjustment in respect of prior years	768	-
Effect of change in tax rate	(19)	12
Total deferred tax charged to income statement	<u>447</u>	<u>366</u>
Tax (credit)/charge on profit	<u>(276)</u>	<u>1,359</u>

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

11. Tax on profit (continued)

Factors affecting the tax charge for the current and prior year

The tax assessed for the year is lower than (2022: lower than) that resulting from applying the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%). The differences are explained below:

	2023 £000	2022 £000
Profit before tax	3,394	15,940
Tax at 23.52% (2022: 19.00%) thereon	798	3,029
Effects of:		
Expenses not deductible for tax purposes	98	(77)
Change in tax rate	(19)	12
Income not taxable	(95)	(34)
Withholding tax expensed	(68)	-
Foreign tax suffered	288	-
Group relief received for nil consideration	(989)	(1,498)
Adjustment in respect of prior years	298	76
Movement in provision for uncertain tax treatments	(587)	(149)
Total tax for the year	(276)	1,359

Deferred tax included in the balance sheet is as follows:

	2023 £000	2022 £000
Decelerated capital allowances	1,954	2,370
Short term timing differences	-	31
	1,954	2,401

	£000
At 1 January 2023	2,401
Origination and reversal of timing differences	321
Adjustment in respect of prior years	(768)
At 31 December 2023	1,954

From 1 April 2023 the United Kingdom corporation tax rate is 25%. Deferred tax has been recognised at 25% (2022: 25%) where it is expected that deferred tax balances will unwind after 1 April 2023 i.e. when the tax rate is 25%.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

11. Tax on profit (continued)

Uncertain tax provision and related items

	2023 £000	2022 £000
Uncertain tax provision		
At 1 January	686	835
Uncertain tax provision movement	(587)	(149)
	<u>99</u>	<u>686</u>
Interest on uncertain tax provision	2022 £000	2021 £000
At 1 January	74	91
Interest on uncertain tax provision	(74)	(17)
	<u>-</u>	<u>74</u>

The company has recognised an uncertain tax provision in respect of ongoing enquiries with tax authorities in respect of cross border transfer pricing. The provision has been calculated based on the guidance within IFRIC23 and represents the company's best estimate of the likely outflow that will arise from a resolution to the uncertainty.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

12. Intangible assets

	Goodwill	Development costs	IPR	Purchased software capitalised	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2022	9,639	4,769	36,119	17,300	67,827
Additions	-	3,930	-	2,983	6,913
At 31 December 2022	9,639	8,699	36,119	20,283	74,740
Additions	-	1,513	-	3,497	5,010
Impairment	-	(751)	-	-	(751)
At 31 December 2023	9,639	9,461	36,119	23,780	78,999
Accumulated amortisation					
At 1 January 2022	-	453	32,486	8,541	41,480
Charge for the year	-	935	952	1,266	3,153
At 31 December 2022	-	1,388	33,438	9,807	44,633
Charge for the year	-	1,590	162	1,642	3,394
Impairment	-	(158)	-	-	(158)
At 31 December 2023	-	2,820	33,600	11,449	47,869
Net book value					
At 31 December 2023	9,639	6,641	2,519	12,331	31,130
At 31 December 2022	9,639	7,311	2,681	10,476	30,107
At 31 December 2021	9,639	4,316	3,633	8,759	26,347

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

13. Tangible assets

	Leasehold improvements £000	Computers, furniture and equipment £000	Total £000
Cost			
At 1 January 2022	1,647	2,249	3,896
Additions	-	314	314
At 31 December 2022	<u>1,647</u>	<u>2,563</u>	<u>4,210</u>
Additions	-	148	148
At 31 December 2023	<u><u>1,647</u></u>	<u><u>2,711</u></u>	<u><u>4,358</u></u>
Accumulated depreciation			
At 1 January 2022	1,647	1,942	3,589
Charge for the year	-	187	187
At 31 December 2022	<u>1,647</u>	<u>2,129</u>	<u>3,776</u>
Charge for the year	-	237	237
Exchange differences	-	1	1
At 31 December 2023	<u><u>1,647</u></u>	<u><u>2,367</u></u>	<u><u>4,014</u></u>
Net book value			
At 31 December 2023	<u><u>-</u></u>	<u><u>344</u></u>	<u><u>344</u></u>
At 31 December 2022	<u><u>-</u></u>	<u><u>434</u></u>	<u><u>434</u></u>

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

14. Right-of-use assets

	Buildings and leasehold improvements £000	Computer equipment £000	Total £000
Cost			
At 1 January 2022	1,125	67	1,192
Exchange differences	2	-	2
At 31 December 2022	<u>1,127</u>	<u>67</u>	<u>1,194</u>
Remeasurements	37	-	37
Exchange differences	(2)	-	(2)
At 31 December 2023	<u><u>1,162</u></u>	<u><u>67</u></u>	<u><u>1,229</u></u>
Accumulated depreciation			
At 1 January 2022	474	67	541
Charge for the year	283	-	283
Exchange differences	1	-	1
At 31 December 2022	<u>758</u>	<u>67</u>	<u>825</u>
Charge for the year	283	-	283
Exchange differences	(2)	-	(2)
At 31 December 2023	<u><u>1,039</u></u>	<u><u>67</u></u>	<u><u>1,106</u></u>
Carrying amount			
At 31 December 2023	<u><u>123</u></u>	<u><u>-</u></u>	<u><u>123</u></u>
At 31 December 2022	<u><u>369</u></u>	<u><u>-</u></u>	<u><u>369</u></u>

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

15. Investments

	2023 £000	2022 £000
Cost		
Balance at 1 January and 31 December	<u>5,879</u>	<u>5,879</u>
Provision for impairment		
Balance at 1 January	(3,221)	(3,221)
Charge for the year	-	-
Balance 31 December	<u>(3,221)</u>	<u>(3,221)</u>
Net book value		
At 31 December	<u>2,658</u>	<u>2,658</u>

Taking a net asset approach at 31 December 2011 the Directors believed that the investment in SmartStream Technologies Iberia SL was impaired and as such it was fully provided for.

The Directors have performed value in use calculations using cash flow projections for SmartStream Technologies GmbH covering a period to December 2027. Beyond that date cash flow projections have been extrapolated using a terminal growth rate of 2% per annum. The pre-tax discount rate applied to the cash flow projections is 12.05%. The Directors concluded that no impairment is required in 2023 (2022: Nil).

The investment in SmartStream Technologies Iberia SL of £103,000 is fully impaired. The investment in SmartStream Technologies GmbH is impaired by £3,118,000.

A list of the investments in subsidiaries at 31 December 2023 and 2022 is given below. All subsidiaries are 100% owned.

Subsidiaries	Country of Registration	Principal Activity
SmartStream Technologies GmbH	Austria	Software
SmartStream Technologies Iberia SL	Spain	Software

Subsidiaries	Registered Office address
SmartStream Technologies GmbH	Wienerbergstrasse 11, A-1100 Vienna Austria
SmartStream Technologies Iberia SL	Calle Orense, 12 2nd floor office 2 B, Madrid 28020, Spain

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

16. Financial assets

Financial assets at amortised cost

All of the counterparties are wholly owned by SmartStream Technologies Holding Investments Limited. SmartStream Technologies Holding Investments Limited has given a letter of support to its subsidiaries and confirmed its intentions to provide financial support as is necessary. SmartStream Technologies Holding Investments Limited does not anticipate asking the Lenders to require that the inter-company loans be repaid since the SmartStream Technologies Holding Investments Group has sufficient financial resources to meet its obligations for at least the next 12 months and therefore repayment is not required. These loans therefore are considered to be low risk, and therefore the impairment provision is determined as 12 months' expected credit losses. The directors consider the ECL as immaterial.

	2023 £000	2022 £000
Loans to group undertakings ⁽ⁱ⁾	161,781	149,250
Loans to intermediate parent undertaking ⁽ⁱⁱ⁾	40,023	37,733
	<u>201,804</u>	<u>186,983</u>

- (i) The amounts owed by group undertakings have no fixed redemption date, are repayable with 90 days notice period and accrue interest at rates which vary from 3 months SONIA +3% and 3 months EURIBOR +2% to the greater of 7% and SONIA +2% (2022: 3 months SONIA +3% and 3 months EURIBOR +2% to the greater of 7% and SONIA +2%) per annum. The average interest rate for the period was 6.48% (2022: 4.50%).
- (ii) On 30 December 2010 the previous ultimate parent company, DIFCI assigned its right to receive interest of US\$ 28,099,533 and £3,143,093 arising on an intra-group loan with D-Clear Europe Limited to the Company in return for an amount in consideration equal to the interest. Equivalent of £17,139,755 of the balance outstanding was repaid in 2015. The balance due to SmartStream Technologies Limited from D-Clear Europe Limited in respect of the interest assigned is equivalent to £11,750,819 (2022: £12,199,571) and is due on demand. The remaining £28,272,382 (2022: £25,533,453) represent amounts paid on behalf of D-Clear Europe Limited.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

16. Financial assets (continued)

Trade and other receivables (without prepayments)

	2023 £000	2022 £000
Trade receivables	10,808	17,172
Allowance for doubtful receivables	(346)	(635)
Other receivables	913	455
Subtotal	<u>11,375</u>	<u>16,992</u>

At 31 December 2023, trade receivables of £346,000 (2022: £635,000) were impaired and provided for. Trade and other receivables are subject to the expected credit loss model. The Company applies the IFRS 9 simplified approach to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables (note 3). The impact of the expected credit loss model on each of the aging buckets is as follows:

	31 December 2023			31 December 2022		
	Trade receivables £000	Loss allowance £000	Expected loss rate %	Trade receivables £000	Loss allowance £000	Expected loss rate %
Not yet due	7,608	4	0.05	11,867	8	0.07
0 to 30 days	1,726	8	0.46	3,275	26	0.79
31 to 60 days	213	12	5.63	423	23	5.44
61 to 90 days	392	17	4.34	540	11	2.04
91 plus days	869	305	35.10	1,067	567	53.14
Total	<u>10,808</u>	<u>346</u>	<u>3.20</u>	<u>17,172</u>	<u>635</u>	<u>3.70</u>

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

16. Financial assets (continued)

Other current assets

	2023 £000	2022 £000
Prepayments	1,004	1,110

	2023 £'000	2022 £'000
Analysis of total trade and other receivables:		
Non-current	-	-
Current	12,379	18,102
Balance at 31 December	12,379	18,102

17. Trade and other payables and Contract liabilities

Trade and other payables

Financial liabilities at amortised cost

	2023 £000	2022 £000
Trade creditors	187	152
Amounts owed to group undertakings ⁽ⁱ⁾	70,980	62,294
Amounts owed to intermediate parent undertakings ⁽ⁱⁱ⁾	552	552
Accruals and sundry creditors	3,029	2,792
	74,748	65,790

(i) The amounts owed to group undertakings have no fixed redemption date, are repayable with 90 days notice period and accrue interest at rates which vary from 3 months SONIA +3% and 3 months EURIBOR +2% to the greater of 7% and SONIA +2% (2022: 3 months SONIA +3% and 3 months EURIBOR +2% to the greater of 7% and SONIA +2%) per annum. The average interest rate for the year was 6.65% (2022: 4.50%).

(ii) Up to 31 December 2011 DIFCI paid expenses totalling £552,000 on behalf of SmartStream Technologies Limited. On 31 May 2012 as part of the change in the ultimate parent undertaking the balance owed to DIFCI was assigned to D-Clear Europe Limited.

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

17. Trade and other payables and contract liabilities (continued)

Other current liabilities

	2023 £000	2022 £000
VAT and other taxes	972	1,825

Contract liabilities

	2023 £000	2022 £000
Contract liabilities	13,735	14,656

£14,656,000 reflected as contract liabilities at 31 December 2022 was recognised in 2023 revenue.

18. Provisions for liabilities

Property provisions

	2023 £000	2022 £000
At 1 January	172	172
Charge to profit and loss account	-	-
At 31 December	172	172

The property provisions represent dilapidation provisions on property leases held by the Company (expected to be utilised by the year ending 31 December 2024).

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

18. Provisions for liabilities (continued)

Analysis of total provisions:

	2023 £000	2022 £000
Non-current	-	162
Current	172	10
Balance at 31 December	<u>172</u>	<u>172</u>

19. Called up share capital

	2023 £000	2022 £000
Authorised, called up, allotted and fully paid 10,000,000 (2022: 10,000,000) ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

20. Capital commitments

At 31 December 2023 the Company had no capital commitments (31 December 2022: £nil).

21. Remuneration of key management personnel

	2023 £000	2022 £000
Directors' remuneration		
Salaries and bonuses	298	295
Contributions to personal pension schemes	14	14
	<u>312</u>	<u>309</u>
The emoluments of the highest paid Director are as follows:		
Salaries and bonuses	194	197
Contributions to personal pension schemes	9	9
	<u>203</u>	<u>206</u>

SmartStream Technologies Limited

Notes to the financial statements for the year ended 31 December 2023

21. Remuneration of key management personnel (continued)

	2023 No.	2022 No.
Number of Directors who are members of defined contribution schemes	<u>2</u>	<u>2</u>

22. Ultimate parent company and controlling party

The immediate parent undertaking of the Company is SmartStream Technologies Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

The intermediate parent undertaking is SmartStream Technologies Group Limited, a company incorporated in Great Britain and registered in England and Wales. The immediate parent undertaking of SmartStream Technologies Group Limited is D-Clear Europe Limited, a company incorporated in Great Britain and registered in England and Wales. SmartStream Technologies Holding Investments Limited incorporated in Dubai, United Arab Emirates in September 2017 is the immediate parent of D-Clear Europe Limited. Copies of the group financial statements of SmartStream Technologies Holding Investments Limited are available from unit S2303, level 23, Emirates Financial Towers, Dubai International Financial Center, PO BOX 507084, Dubai, United Arab Emirates. SmartStream Technologies Holding Investments Limited is the smallest group which prepares consolidated financial statements in accordance with International Financial Reporting Standard (IFRS).

The ultimate parent company is Investment Corporation of Dubai, a company incorporated in Dubai, United Arab Emirates and the Directors consider the controlling party to be the Government of Dubai. Investment Corporation of Dubai is the largest group which prepares consolidated financial statements in accordance with International Financial Reporting Standard (IFRS). Copies of these financial statements are available from level 5, Gate Village Building 7, Dubai International Financial Centre, Dubai, 333888, United Arab Emirates.

23. Commitments

For the purpose of maintaining its banking facilities the Group pledged to its bankers the assets of its subsidiaries registered in England and Wales individually and jointly via an unlimited intercompany composite guarantee. The STHI group negotiates the amount and terms of such a facility with its banker when it determines a requirement. As a subsidiary of the Group, the Company became an unlimited composite guarantor of all the liabilities of D-Clear Europe Limited, SmartStream Acquisitions Limited, SmartStream Funding Limited, SmartStream Technologies Holdings Limited, SBS International Holdings Limited and SmartStream Technologies Group Limited.

In connection with the acquisition of software from Opteamwork Sarl in 2013, the company has a commitment to pay Opteamwork an annual fixed payment and commission based on the value of new customer contracts, subject to a maximum amount.

As part of the acquisition of Credit Suisse Securities (USA) LLC's proprietary fee and expense management system and related assets in 2015, the Company has entered into a commitment to pay Credit Suisse a share of the future revenues it earns from the acquired software, subject to a maximum amount. The payments are expected to be completed by the end of 2025.