

Registered number: 03385051

**Mandata (Management And Data
Services) Ltd**

Annual report

28 February 2021



Mandata (Management And Data Services) Ltd

Company information

Directors	Mr K Marshall Mr M J Tagg Mr C A Rigg Mr C Wall Mr S A Spark
Registered number	03385051
Registered office	3rd Floor Q5 Quorum Business Park Benton Lane Longbenton Newcastle upon Tyne NE12 8BS
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE

Mandata (Management And Data Services) Ltd

Contents

	Page
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report to the members of Mandata (Management and Data Services) Limited	6 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 27

Mandata (Management And Data Services) Ltd

Strategic Report
Year ended 28 February 2021

Introduction

The directors present their strategic report for the year ended 28 February 2021.

The company produces software that helps transport businesses improve operational efficiency and benefit from greater visibility over their business activities.

The company enjoys a strong market position in its core market and continued to add new users throughout the year. Due to the depth of product functionality and the company's high-quality customer service offering, customer attrition remains relatively low.

Business review

The definitions of key performance indicators referred to are explained in the Financial key performance Indicators later in this section.

The company has performed well during the year and reported total turnover of £7,609k. This compares to £7,199k in the year ended 29 February 2020.

The company is focused on driving growth in recurring revenue. Recurring revenue grew during the current year compared to the 12 months ended 29 February 2020. In addition, software subscription grew over 30% despite the challenges presented by the global COVID-19 pandemic, demonstrating the strength of the Mandata product offering

The company remains focused on the following strategic objectives:

- Be recognized as the leading provider of transport management solutions ('TMS') in the UK
- Sharpen focus on development of the core TMS proposition
- Enable greater interoperability with third-party solutions that provide complementary capabilities to the core TMS proposition
- Drive technological innovation to differentiate the company's products with the aim of attracting more new customers and further minimizing customer churn
- Strengthen the group's commitment to delivering SaaS solutions to the "whitespace", which is a term the directors use to refer to hauliers who are yet to adopt of third-party TMS solutions.

2021 has been a strong year for organic growth . Through investment in systems, we have been able to more readily identify opportunities to cross sell our products to existing customers.

Meanwhile we have continued to add new customers whilst limiting churn. Demand for our Go solution, which is aimed at hauliers with 20 vehicles or less, saw a marked increase during the year, which we believe is driven by the impact of the COVID-19 pandemic and an increasing digitization of the SME UK haulage sector. Although we saw a softening in demand for our enterprise TMS product immediately after the initial impact of COVID-19, interest has since returned as lockdowns have eased and confidence has gradually returned.

Mandata (Management And Data Services) Ltd

Strategic Report (continued)
Year ended 28 February 2021

Principal risks and uncertainties

Financial risk management

The company's activities expose it to a number of financial risks including liquidity risk, credit risk and foreign currency risk.

Liquidity risk

Liquidity risk is the risk that the company could not meet its short term financial obligations. This is mitigated through forecasts and careful cashflow management of receivables and payables.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk largely applies to trade receivables. Through active receivable management and monitoring the company is able to minimise such risks and historical losses in this area are minimal.

Foreign currency risk

Foreign currency risk arises when there are exchange rate movements between the base currency the company transacts in its home market and overseas transactions in local currencies. Mandata has customers in Europe and South Africa but these represent a small proportion of overall revenues and as such does not currently hedge any exposures to these markets. This situation is reviewed annually.

Operational risk

The business must maintain high levels of technical expertise within its staff. The risk is mitigated through low staff turnover, training, cross-skilling and knowledge transfer. As with any technology company, Mandata must ensure that it is at the forefront of the industry in its product offering. The risk is mitigated through continued investment in research and development and evolution of its product set.

Mandata (Management And Data Services) Ltd

Strategic Report (continued)
Year ended 28 February 2021

Other key performance indicators

Adjusted EBITDA

Operating profit excluding depreciation, amortization, exceptional items and bonuses.

Exceptional items are costs that are non-recurring or non-operational.

The directors use adjusted EBITDA to measure the underlying trading performance of the business as this measure excludes:

- Depreciation and amortization as they are non-cash accounting charges
- Costs of servicing the group's funding structure, particularly bank and loan note interest
- One-off and temporary costs that should not feature in the company's long-term maintainable trading profitability. Examples would include redundancy and restructuring costs

Bonuses are also excluded as these are not included in the measurement of profitability used by the group's senior debt lenders in calculating banking covenants.

Recurring revenue

Revenue generated from the provision of ongoing services to customers, primarily:

- Software licenses sold on a subscription basis
- Subscriptions for related services, for example over-the-air vehicle tracking
- Software and hardware support services

Ongoing services are defined as those where the customer pays for those services on a recurring basis as part of a fixed term or rolling contract.

Recurring revenue is an important measure because it drives a higher quality of earnings by giving the directors better visibility over future revenue, profit and cash generation.

Annualised recurring revenue ("ARR")

ARR is recurring revenue for a monthly at any given month end reporting date multiplied by 12

This measure give the directors an indication of recurring revenue performance of the business over the next 12 months excluding any future churn.

Last 12 months adjusted EBITDA ("LTM adjusted EBITDA")

LTM adjusted EBITDA is a 12 month look-back at any given month end reporting date of the adjusted EBITDA performance of the group.

This measure eliminates any month-to-month fluctuations in profitability by viewing performance on a trailing annual basis, and is an effective way of understanding the progress the business is making in growing profitability, particularly when comparing consecutive measures and versus the same month in the previous year.

This report was approved by the board on 4 October 2021 and signed on its behalf.


M Tagg
Director

Mandata (Management And Data Services) Ltd

Directors' report Year ended 28 February 2021

The directors present their report and the financial statements for the year ended 28 February 2021.

Results and dividends

The profit for the year, after taxation, amounted to £2,030,000 (2020 - £1,626,000).

Dividends of £nil (2020: £6,150,000) were paid in the year. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

Mr K Marshall
Mr M J Tagg
Mr C A Rigg
Mr C Wall
Mr S A Spark

Future developments

The momentum in cross-selling, Go customer acquisition and returning confidence in our established market mean we enter the 2022 financial year with optimism, although we are cautious given the global pandemic may not yet be entirely over. We have an exciting pipeline of products on which we're working and look forward to bringing these to both new and existing customers over the course of the year ahead.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

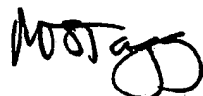
Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

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

This report was approved by the board on 4 October 2021 and signed on its behalf by:



M Tagg
Director

Mandata (Management And Data Services) Ltd

Directors' responsibilities statement Year ended 28 February 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



Independent auditor's report to the members of Mandata (Management and Data Services) Ltd

Opinion

We have audited the financial statements of Mandata (Management And Data Services) Ltd ('the company') for the year ended 28 February 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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



**Independent auditor's report to the members of Mandata (Management and Data Services) Ltd
(continued)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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



**Independent auditor's report to the members of Mandata (Management and Data Services) Ltd
(continued)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the company's legal correspondence and we discussed with the directors and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

Secondly the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law and certain aspects of company legislation, recognising the nature of the company's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we have not become aware of any actual or suspected non-compliance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



**Independent auditor's report to the members of Mandata (Management and Data Services) Ltd
(continued)**

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

Use of our report

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

A handwritten signature in black ink, appearing to read 'Andrew Wilson'.

**Andrew Wilson BA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne**

4 October 2021

Mandata (Management And Data Services) Ltd

Statement of Comprehensive Income Year ended 28 February 2021

		2021 £000	2020 £000
Profit and loss account			
Turnover	4	7,609	7,199
Cost of sales		(3,189)	(3,233)
Gross profit		4,420	3,966
Administrative expenses		(2,382)	(2,344)
Other operating income	5	101	-
Operating profit		2,139	1,622
Interest receivable and similar income	10	-	1
Interest payable and similar charges	11	(15)	(20)
Profit before tax		2,124	1,603
Tax on profit	12	(94)	23
Profit for the year		2,030	1,626

There was no other comprehensive income for both 2021 and 2020.

The notes on pages 13 to 27 form part of these financial statements.

Mandata (Management And Data Services) Ltd

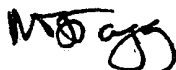
Balance Sheet At 28 February 2021

		28 February 2021 £000	29 February 2020 £000
Fixed assets			
Intangible assets	13	1,040	965
Tangible assets	14	661	634
		<u>1,701</u>	<u>1,599</u>
Current assets			
Stocks		84	139
Debtors	16	6,842	4,818
Cash at bank and in hand	17	1,492	1,030
		<u>8,418</u>	<u>5,987</u>
Creditors: amounts falling due within one year	18	(4,798)	(4,348)
Net current assets		<u>3,620</u>	<u>1,639</u>
Total assets less current liabilities		<u>5,321</u>	<u>3,238</u>
Creditors: amounts falling due after more than one year	19	(16)	(57)
Provisions for liabilities			
Deferred tax	22	(160)	(66)
		<u>(160)</u>	<u>(66)</u>
Net assets		<u>5,145</u>	<u>3,115</u>
Capital and reserves			
Called up share capital		79	79
Profit and loss account		5,066	3,036
Total equity		<u>5,145</u>	<u>3,115</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 October 2021.

M Tagg
Director



Company registered number: 03385051

The notes on pages 13 to 27 form part of these financial statements.

Mandata (Management And Data Services) Ltd

Statement of Changes in Equity Year ended 28 February 2021

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 March 2019	79	7,560	7,639
Profit for the year	-	1,626	1,626
Dividends: Equity capital	-	(6,150)	(6,150)
At 1 March 2020	79	3,036	3,115
Profit for the year	-	2,030	2,030
At 28 February 2021	79	5,066	5,145

The notes on pages 13 to 27 form part of these financial statements.

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

1. General information

The company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is given in the company information page of the annual report.

Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

These financial statements are the company's separate financial statements. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the basis that it is itself a subsidiary undertaking and is included in the consolidated financial statements of its parent undertaking, Mandata Group Limited, which are publicly available.

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling. All amounts have been rounded to the nearest £000.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Reduced disclosures

FRS 102 allows a qualifying entity certain disclosure exemptions. The company meets the definition of a qualifying entity and has taken advantage of the exemptions relating to certain financial instruments disclosures and the preparation of a cash flow statement. The consolidated financial statements of Mandata Group Limited include the equivalent financial instruments disclosures and a consolidated cash flow statement.

2.3 Going concern

Considering global events which persist at the date of approval of these financial statements, the directors have also taken measures to counter the potential impact of COVID-19 on the company's operations and the resultant impact on financial headroom. Contingency plans have been implemented to mitigate the risk of employee absence and supply chain failure through working practices designed to protect employees' welfare and through advance purchase of the company's key supply requirements for the coming months.

In addition, the group's revolving credit facility is available should there be any additional short to medium term funding requirements. Whilst the risks in this regard cannot be completely mitigated and therefore some level of future uncertainty remains, the directors have adopted measures and assessed the financial implications of associated factors outside their control and do not consider the residual uncertainties to be material to the company's ability to continue meeting its liabilities as they fall due in the foreseeable future.

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

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

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

2.5 Revenue recognition

Turnover comprises revenue recognised in respect of goods and services supplied during the year, net of discounts and excluding Value Added Tax.

Sale of goods

Turnover from the sale of equipment is recognised on delivery to the customer.

Rendering of services

Turnover from rendering of services is recognised in the period in which the service is provided. Payments received in advance are initially recorded as deferred income (within creditors) and released to the profit and loss account in future periods, as the service is provided.

2.6 Leases

All of the company's leasing arrangements are operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis.

2.7 Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and treated in accordance with the accounting policy for intangible assets.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.10 Intangible assets

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

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

The estimated useful lives range as follows:

Development expenditure	-	straight line over 5 years
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2.11 Tangible fixed assets

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

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

The estimated useful lives range as follows:

Leasehold property	-	straight line over the life of the lease
Motor vehicles	-	straight line over 3 - 5 years
Office equipment	-	straight line over 3 - 10 years
Computer equipment	-	straight line over 2- 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

2. Accounting policies (continued)

2.12 Impairment of fixed assets and goodwill

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

2.13 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost is determined using the first-in first-out (FIFO) method.

2.15 Debtors

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

2.16 Cash and cash equivalents

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

2.17 Creditors

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

2.18 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

2. Accounting policies (continued)

2.19 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgments, estimates and assumptions that affect the application of policies and reports amounts of assets, liabilities, income and expenses. Revisions to accounting policies are recognised in the period in which the estimate was revised if the revision affects only that period or in the period of revisions and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Intangibles assets: Certain costs incurred in the development phase of an internal project, which include databases, internal use software and internally generated software, are capitalised as intangible assets if several criteria are met. Management has made judgments and assumptions when assessing whether a project meets these criteria, and on measuring the costs and economic life attributed to such projects.

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Goods	504	523
Services	7,105	6,676
	<u>7,609</u>	<u>7,199</u>

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	7,432	7,010
Rest of Europe	140	158
Rest of the world	37	31
	<u>7,609</u>	<u>7,199</u>

5. Other operating income

	2021 £000	2020 £000
Government grants receivable	101	-
	<u>101</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets	235	265
Exchange differences	2	3
Other operating lease rentals	96	132
Amortisation of intangible assets	204	226
	<u>204</u>	<u>226</u>

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

7. Auditor's remuneration

	2021 £000	2020 £000
Fees payable to the company's auditor for the audit of the company's annual financial statements	19	-

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

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £000	2020 £000
Wages and salaries	2,185	1,793
Social security costs	320	313
Cost of defined contribution scheme	73	61
	<u>2,578</u>	<u>2,167</u>

The average monthly number of employees, including directors, during the year was 72 (2020 - 62).

9. Directors' remuneration

	2021 £000	2020 £000
Directors' emoluments	549	-
Company contributions to defined contribution pension schemes	5	-
	<u>554</u>	<u>-</u>

During the year retirement benefits were accruing to 4 directors (2020 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £178,285 (2020 - £nil).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020 - £nil).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £nil (2020 - £nil).

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

10. Interest receivable

	2021 £000	2020 £000
Other interest receivable	-	1
	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

11. Interest payable and similar expenses

	2021 £000	2020 £000
Bank interest payable	-	4
Finance leases and hire purchase contracts	15	16
	<u>15</u>	<u>20</u>
	<u>15</u>	<u>20</u>

12. Taxation

	2021 £000	2020 £000
Corporation tax		
Current tax on profits for the year	-	11
	<u>-</u>	<u>11</u>
	<u>-</u>	<u>11</u>
Total current tax	<u>-</u>	<u>11</u>
Deferred tax		
Origination and reversal of timing differences	18	(44)
Changes to tax rates	61	5
Adjustments in respect of prior periods	15	5
	<u>94</u>	<u>(34)</u>
Total deferred tax	<u>94</u>	<u>(34)</u>
	<u>94</u>	<u>(23)</u>
Taxation on profit/(loss) on ordinary activities	<u>94</u>	<u>(23)</u>

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	2,124	1,603
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	404	305
Effects of:		
Expenses not deductible for tax purposes	84	71
Adjustments to tax charge in respect of prior periods	61	16
Tax rate changes	15	5
Non-taxable income	(161)	(156)
Group relief	(309)	(264)
Total tax charge for the year	94	(23)

Factors that may affect future tax charges

The rate of corporation tax throughout the year was 19% and this was the enacted rate of corporation tax at the balance sheet date. Accordingly, the company's profits for this period are taxed at an effective rate of 19% and closing deferred taxation has been calculated based on a rate of 19% (2020:19%). In the Spring Budget 2021, the government announced that the main rate of UK corporation tax will increase to 25% from 1 April 2023, however this rate change has not yet been substantively enacted.

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

13. Intangible assets

	Development expenditure £000	Goodwill £000	Total £000
Cost			
At 1 March 2020	1,699	355	2,054
Additions	369	-	369
At 28 February 2021	<u>2,068</u>	<u>355</u>	<u>2,423</u>
Amortisation			
At 1 March 2020	734	355	1,089
Charge for the year	294	-	294
At 28 February 2021	<u>1,028</u>	<u>355</u>	<u>1,383</u>
Net book value			
At 28 February 2021	<u>1,040</u>	<u>-</u>	<u>1,040</u>
At 29 February 2020	<u>965</u>	<u>-</u>	<u>965</u>

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

14. Tangible fixed assets

	Leasehold property £000	Motor vehicles £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation					
At 1 March 2020	166	550	89	870	1,675
Additions	146	26	107	83	362
Disposals	(103)	(187)	(84)	(1)	(375)
At 28 February 2021	209	389	112	952	1,662
Depreciation					
At 1 March 2020	152	116	84	689	1,041
Charge for the year	18	94	11	112	235
Disposals	(103)	(90)	(81)	(1)	(275)
At 28 February 2021	67	120	14	800	1,001
Net book value					
At 28 February 2021	142	269	98	152	661
At 29 February 2020	14	434	5	181	634

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	28 February 2021 £000	29 February 2020 £000
Motor vehicles	81	203
Computer equipment	51	88
	132	291

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

15. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 March 2020	1
At 28 February 2021	<u>1</u>
Impairment	
At 1 March 2020	1
At 28 February 2021	<u>1</u>
Net book value	
At 28 February 2021	<u>-</u>
At 29 February 2020	<u>-</u>

16. Debtors

	28 February 2021 £000	29 February 2020 £000
Trade debtors	1,100	901
Amounts owed by group undertakings	5,083	3,168
Other debtors	-	85
Prepayments and accrued income	659	664
	<u>6,842</u>	<u>4,818</u>

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

17. Cash and cash equivalents

	28 February 2021 £000	29 February 2020 £000
Cash at bank and in hand	1,492	1,030
	<u>1,492</u>	<u>1,030</u>

18. Creditors: Amounts falling due within one year

	28 February 2021 £000	29 February 2020 £000
Trade creditors	223	299
Amounts owed to group undertakings	1,833	1,979
Corporation tax	1	-
Other taxation and social security	785	416
Obligations under finance lease and hire purchase contracts	73	195
Other creditors	304	188
Accruals and deferred income	1,579	1,271
	<u>4,798</u>	<u>4,348</u>

19. Creditors: Amounts falling due after more than one year

	28 February 2021 £000	29 February 2020 £000
Net obligations under finance leases and hire purchase contracts	16	57
	<u>16</u>	<u>57</u>

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	28 February 2021 £000	29 February 2020 £000
Within one year	73	184
Between 1-5 years	20	68
	<u>93</u>	<u>252</u>

21. Financial instruments

	28 February 2021 £000	29 February 2020 £000
Financial assets		
Financial assets measured at fair value through profit or loss	<u>7,675</u>	<u>5,184</u>

Financial assets measured at fair value through profit or loss comprise trade debtors, balances owed by group entities, other debtors and cash and cash equivalents.

22. Deferred taxation

	2021 £000	2020 £000
At beginning of year	(66)	-
Charged to profit or loss	(94)	(66)
At end of year	<u>(160)</u>	<u>(66)</u>

Mandata (Management And Data Services) Ltd

Notes to the financial statements
Year ended 28 February 2021

22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	28 February 2021 £000	29 February 2020 £000
Accelerated capital allowances	(174)	(84)
Short term timing differences	14	18
	<u>(160)</u>	<u>(66)</u>

23. Pension commitments

The company operates a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £73,445 (2020: £60,558). £28,034 (2020: £10,887) was payable to the funds at the balance sheet date and is included within creditors.

24. Commitments under operating leases

At 28 February 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	28 February 2021 £000	29 February 2020 £000
Not later than 1 year	13	68
Later than 1 year and not later than 5 years	251	13
	<u>264</u>	<u>81</u>

25. Controlling party

The company is a subsidiary undertaking of Mandata (Holdings) Limited, 3rd Floor Q5 Quorum Business Park, Benton Lane, Longbenton, Newcastle Upon Tyne, Tyne And Wear, United Kingdom, NE12 8BS.

The largest group in which the results of the company are consolidated is headed by Mandata Group Limited, a company registered in England and Wales. No other group financial statements include the results of the company.

The consolidated financial statements of the group are available to the public and may be obtained from 3rd Floor Q5 Quorum Business Park, Benton Lane, Longbenton, Newcastle Upon Tyne, Tyne And Wear, United Kingdom, NE12 8BS.