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**ARTESIAN SOLUTIONS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**ARTESIAN SOLUTIONS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A Yates S Borthwick M Blackadder J Fitzpatrick I Milbourn
<b>Company secretary</b>	A Yates
<b>Registered number</b>	05667880
<b>Registered office</b>	2 Winnersh Fields Gazelle Close Winnersh Wokingham Berkshire RG41 5QS
<b>Independent auditors</b>	Nortons Assurance Limited Chartered Accountants and Statutory Auditor Highlands House Basingstoke Road Spencers Wood Reading Berkshire RG7 1NT

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ARTESIAN SOLUTIONS LIMITED

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**ARTESIAN SOLUTIONS LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## ARTESIAN SOLUTIONS LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### Business review

The Team and Board of Directors at Artesian are pleased to report a year of growth and momentum including the acquisition of DueDil Limited with a strong and capable team joining the Artesian Solutions Group.

Our combined focus is to lead the Customer Lifecycle Intelligence market segment with a key emphasis on the regulated industry sector including Insurance and the many different aspects of Financial Services. Our core focus is to help our clients find and win the right customers, onboard them quickly navigating around the perils of KYC and AML and then helping keep those customers for a lifetime.

In combination the new Group will serve over 500 customers including most of the Tier 1 Banks, Challenger, Neobanks and Fintech's in the UK and Ireland.

The newly formed Group undertook a re-branding exercise which was concluded at the end of the new fiscal year creating a new trading name "FullCircle". Between August and December extensive work was undertaken to integrate the Artesian and DueDil platform resulting in a number of combined platform deals with key customers.

This set of Financial statements consolidates a nine month period for Artesian (April to December) and a five month period (August to December) for DueDil following the completion of the acquisition on July 31 2021. This is compared to a twelve-month period for Artesian being the period April to March 2020. To provide further context the financial statements should be read in conjunction with the explanation section below.

In addition to the Group consolidation activity, we are also pleased to report a number of other key milestones, namely:

We closed over £1.7m of new business sales, a 15% growth in second half to first half of the fiscal year.

- We added over 100 new customers with 90% of new contracts being a minimum of 2-year terms and we trained 3,000 people of which a third were face to face sessions.
- The average contract length is 25 months and greater than 30 months for customer contracts greater than £100K annual recurring revenue providing strong visibility to future revenues.
- We concluded a number of Platform deals which include the consolidation of Artesian and DueDil technology into one integrated offering.
- Pro-forma year-on-year operating expenses reduction of £2.3m (19%) driven by finalisation of integration tasks including building consolidation, vendor synergies and rationalisation of duplicate headcount roles. Additional data savings are anticipated in 2022.
- The board are confident that the business will be restored to a positive adjusted EBITDA run-rate in the first quarter of 2022.
- The combined business continues to deliver strong unit economics underpinned by low cost of acquiring customers and best in class gross retention rates.
- The business successfully refinanced the debt of both Artesian and DueDil into a new long term lower cost facility that enables the business to invest in customer facing roles to accelerate growth.
- We continue to use the Entrepreneurs Operating System (EOS) – a framework which helped us make the successful acquisition of DueDil and integrate our two teams.

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**ARTESIAN SOLUTIONS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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The directors who served during the period were:

A Yates  
S Borthwick  
M Blackadder  
J Fitzpatrick  
I Milbourn

**Qualifying third party indemnity provisions**

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2021 financial year and remain in force for all current and past Directors of the Company.

**Disclosure of information to auditors**

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 and the Group's auditors are 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 and the Group's auditors are aware of that information.

**Post balance sheet events**

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

**Auditors**

The auditors, Nortons Assurance Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

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A Yates  
Director

Date: 7 November 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTESIAN SOLUTIONS LIMITED

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**Opinion**

We have audited the financial statements of Artesian Solutions Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 December 2021, which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group and Company 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 Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's loss for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group's or the parent 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.

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**ARTESIAN SOLUTIONS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTESIAN SOLUTIONS LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTESIAN SOLUTIONS LIMITED (CONTINUED)

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**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 Group's and the parent 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 Group or the parent 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 Group 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework including the Companies Act 2006 and the relevant tax compliance regulations in the UK.
- We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it considered there was a susceptibility to fraud. We also considered performance targets and their propensity to influence efforts made by management to manage the results. We considered the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud and error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARTESIAN SOLUTIONS LIMITED (CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements (continued)**

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified in the paragraphs above. Our procedures involved journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business, enquiries of Company management and focused testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards and UK legislation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.

Anthony Campbell (Senior Statutory Auditor)

for and on behalf of

**Nortons Assurance Limited**

Chartered Accountants and Statutory Auditor

Highlands House  
Basingstoke Road  
Spencers Wood  
Reading  
Berkshire  
RG7 1NT

7 November 2022

ARTESIAN SOLUTIONS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	<b>9 months ended 31 December 2021 £</b>	<i>Year ended 31 March 2021 £</i>
Turnover	5,511,850	4,425,710
<b>Gross profit</b>	<b>5,511,850</b>	<b>4,425,710</b>
Administrative expenses	(6,277,549)	(4,261,733)
Exceptional administrative expenses	-	(39,000)
Other operating income	919	85,031
<b>Operating (loss)/profit</b>	<b>(764,780)</b>	<b>210,008</b>
Interest receivable and similar income	1,530	-
Interest payable and similar expenses	(181,125)	(134,927)
<b>(Loss)/profit before tax</b>	<b>(944,375)</b>	<b>75,081</b>
Tax on (loss)/profit	509,578	169,594
<b>(Loss)/profit for the financial period</b>	<b>(434,797)</b>	<b>244,675</b>
<b>(Loss)/profit for the period attributable to:</b>		
Owners of the parent	(434,797)	244,675
	<b>(434,797)</b>	<b>244,675</b>

The notes on pages 15 to 30 form part of these financial statements.

**ARTESIAN SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 05667880**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	31 December 2021 £	31 March 2021 £
<b>Fixed assets</b>			
Intangible assets		14,803,342	-
Tangible assets	8	104,105	32,923
		<u>14,907,447</u>	<u>32,923</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	3,426,944	721,129
Cash at bank and in hand	11	1,631,613	1,981,326
		<u>5,058,557</u>	<u>2,702,455</u>
Creditors: amounts falling due within one year	12	(6,528,915)	(1,351,657)
<b>Net current (liabilities)/assets</b>		<u>(1,470,358)</u>	<u>1,350,798</u>
<b>Total assets less current liabilities</b>		<u>13,437,089</u>	<u>1,383,721</u>
Creditors: amounts falling due after more than one year	13	(6,269,682)	(3,623,345)
<b>Net assets</b>		<u>7,167,407</u>	<u>(2,239,624)</u>
<b>Net assets/(liabilities)</b>		<u><u>7,167,407</u></u>	<u><u>(2,239,624)</u></u>

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**ARTESIAN SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 05667880**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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Note	31 December 2021 £	31 March 2021 £
<b>Capital and reserves</b>		
Called up share capital	25,682	14,796
Share premium account	19,318,938	9,329,824
Foreign exchange reserve	(120)	340
Profit and loss account	(12,177,093)	(11,584,584)
<b>Equity attributable to owners of the parent</b>	<u>7,167,407</u>	<u>(2,239,624)</u>
<b>Company</b>	<u>7,167,407</u>	<u>(2,239,624)</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 7 November 2022.

.....  
**A Yates**  
Director

The notes on pages 15 to 30 form part of these financial statements.

**ARTESIAN SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 05667880**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

		31 December 2021	31 March 2021
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	8	60,811	32,923
Investments	9	10,205,855	-
		10,266,666	32,923
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	5,478,705	741,771
Cash at bank and in hand	11	1,360,052	1,963,889
		6,838,757	2,705,660
Creditors: amounts falling due within one year	12	(2,783,173)	(1,348,018)
<b>Net current assets</b>		4,055,584	1,357,642
<b>Total assets less current liabilities</b>		14,322,250	1,390,565
Creditors: amounts falling due after more than one year	13	(6,025,603)	(3,623,345)
<b>Net assets excluding pension asset</b>		8,296,647	(2,232,780)
<b>Net assets/(liabilities)</b>		8,296,647	(2,232,780)

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**ARTESIAN SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 05667880**

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**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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	31 December 2021	31 March 2021
Note	£	£
<b>Capital and reserves</b>		
Called up share capital	25,682	14,796
Share premium account	19,318,938	9,329,824
Profit and loss account brought forward	(11,577,400)	(11,830,818)
Profit for the period	529,427	253,418
Profit and loss account carried forward	(11,047,973)	(11,577,400)
	<u>8,296,647</u>	<u>(2,232,780)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 November 2022.

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**A Yates**

Director

The notes on pages 15 to 30 form part of these financial statements.

**ARTESIAN SOLUTIONS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	14,796	9,329,824	-	(11,829,259)	(2,484,639)
Profit for the year	-	-	-	244,675	244,675
FX Movement	-	-	340	-	340
<b>At 1 April 2021</b>	14,796	9,329,824	340	(11,584,584)	(2,239,624)
Loss for the period	-	-	-	(434,797)	(434,797)
FX Movement	-	-	(460)	-	(460)
Shares issued during the period	10,886	9,989,114	-	-	10,000,000
Other movement type 1	-	-	-	(157,712)	(157,712)
<b>At 31 December 2021</b>	<u>25,682</u>	<u>19,318,938</u>	<u>(120)</u>	<u>(12,177,093)</u>	<u>7,167,407</u>

The notes on pages 15 to 30 form part of these financial statements.

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ARTESIAN SOLUTIONS LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2020	14,796	9,329,824	(11,830,818)	(2,486,198)
Profit for the year	-	-	253,418	253,418
At 1 April 2021	14,796	9,329,824	(11,577,400)	(2,232,780)
Profit for the period	-	-	529,427	529,427
Shares issued during the period	10,886	9,989,114	-	10,000,000
At 31 December 2021	<u>25,682</u>	<u>19,318,938</u>	<u>(11,047,973)</u>	<u>8,296,647</u>

The notes on pages 15 to 30 form part of these financial statements.

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## ARTESIAN SOLUTIONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

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#### 1. General information

Artesian Solutions Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The registered office is disclosed on the Company Information page.

The principal activity of the company in the year under review was that of the development and supply of Cloud (web) based software which automates the process of search and surveillance of internet based information sources to deliver commercial intelligence to drive sales productivity.

The company acquired DueDil Limited in July 2021 and the financial statements include the results for the period to 31 December 2021.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their cost at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account for the entire period.

##### 2.3 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future based on forecasts and receiving future funding. They continue to adopt the going concern basis in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- Subscription Revenue - Recognises revenue from its software as a service business in equal monthly installments over the period of the contract.

**2.6 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.7 Government grants**

Grants are accounted 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 Consolidated Profit and Loss Account in the same period as the related expenditure.

**2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.9 Finance costs**

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

**2.10 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.11 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

**2.12 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

**2.13 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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2. Accounting policies (continued)

2.14 Intangible assets

**Goodwill**

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

**Other 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.

2.15 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.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over the leasehold term
Fixtures and fittings	- 4 years
Office equipment	- 3 years
Computer equipment	- 3 years

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.16 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.17 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.

**2.18 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.

**2.19 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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2. Accounting policies (continued)

2.20 Financial instruments

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

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 Consolidated Profit and Loss Account.

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

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

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**ARTESIAN SOLUTIONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**3. Turnover**

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

	<b>9 months ended 31 December 2021 £</b>	<i>Year ended 31 March 2021 £</i>
Subscription Services	5,511,850	4,425,710
	<u>5,511,850</u>	<u>4,425,710</u>

Analysis of turnover by country of destination:

	<b>9 months ended 31 December 2021 £</b>	<i>Year ended 31 March 2021 £</i>
United Kingdom	5,511,850	4,425,710
	<u>5,511,850</u>	<u>4,425,710</u>

**4. Employees**

The average monthly number of employees, including directors, during the period was 95 (2021 - 42).

**5. Interest receivable**

	<b>2021 £</b>	<i>2021 £</i>
Other interest receivable	1,530	-
	<u>1,530</u>	<u>-</u>

**ARTESIAN SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**6. Interest payable and similar expenses**

	<b>9 months ended 31 December 2021</b>	<i>Year ended 31 March 2021</i>
	<b>£</b>	<b>£</b>
Bank interest payable	181,125	134,927
	<b>181,125</b>	<b>134,927</b>
	<b>181,125</b>	<b>134,927</b>

**7. Intangible assets**

**Group and Company**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
Additions	16,149,100
At 31 December 2021	16,149,100
<b>Amortisation</b>	
Charge for the period on owned assets	1,345,758
At 31 December 2021	1,345,758
<b>Net book value</b>	
At 31 December 2021	14,803,342
<i>At 31 March 2021</i>	-

ARTESIAN SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

8. Tangible fixed assets

Group

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	-	330,771	-	330,771
Additions	-	42,215	-	42,215
Acquisition of subsidiary	71	15,797	49,887	65,755
Disposals	-	-	(15,289)	(15,289)
At 31 December 2021	<u>71</u>	<u>388,783</u>	<u>34,598</u>	<u>423,452</u>
<b>Depreciation</b>				
At 1 April 2021	-	297,848	-	297,848
Charge for the period on owned assets	71	18,939	15,866	34,876
Disposals	-	-	(13,377)	(13,377)
At 31 December 2021	<u>71</u>	<u>316,787</u>	<u>2,489</u>	<u>319,347</u>
<b>Net book value</b>				
At 31 December 2021	<u>-</u>	<u>71,996</u>	<u>32,109</u>	<u>104,105</u>
<i>At 31 March 2021</i>	<u>-</u>	<u>32,923</u>	<u>-</u>	<u>32,923</u>

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ARTESIAN SOLUTIONS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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8. Tangible fixed assets (continued)

Company

	Office equipment £
<b>Cost or valuation</b>	
At 1 April 2021	330,771
Additions	42,215
	<hr/>
At 31 December 2021	372,986
	<hr/>
<b>Depreciation</b>	
At 1 April 2021	297,848
Charge for the period on owned assets	14,327
	<hr/>
At 31 December 2021	312,175
	<hr/>
<b>Net book value</b>	
At 31 December 2021	<u>60,811</u>
<i>At 31 March 2021</i>	<u>32,923</u>

**ARTESIAN SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**9. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
Additions	<b>10,205,855</b>
At 31 December 2021	<b><u>10,205,855</u></b>

**10. Debtors**

	<b>Group 31 December 2021 £</b>	<i>Group 31 March 2021 £</i>	<b>Company 31 December 2021 £</b>	<i>Company 31 March 2021 £</i>
Trade debtors	<b>2,137,409</b>	<i>266,060</i>	<b>491,208</b>	<i>266,060</i>
Amounts owed by group undertakings	-	-	<b>4,427,529</b>	<i>28,218</i>
Other debtors	<b>1,096,953</b>	<i>455,069</i>	<b>559,968</b>	<i>447,493</i>
Prepayments and accrued income	<b>192,582</b>	-	-	-
	<b><u>3,426,944</u></b>	<i><u>721,129</u></i>	<b><u>5,478,705</u></b>	<i><u>741,771</u></i>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
DueDil Limited	10 Queen Street Place, London, United Kingdom, EC4R 1AG	Ordinary	100 %
Artesian Solutions Inc	101 Arch Street, 8th Floor, Boston, MA 02110	Ordinary	100 %

**ARTESIAN SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**9. Fixed asset investments (continued)**

**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
DueDil Limited	(6,100,957)	(142,275)
Artesian Solutions Inc	(3,598)	(3,502)

**11. Cash and cash equivalents**

	Group 31 December 2021	Group 31 March 2021	Company 31 December 2021	Company 31 March 2021
	£	£	£	£
Cash at bank and in hand	1,631,613	1,981,326	1,360,052	1,963,889
	<u>1,631,613</u>	<u>1,981,326</u>	<u>1,360,052</u>	<u>1,963,889</u>

**12. Creditors: Amounts falling due within one year**

	Group 31 December 2021	Group 31 March 2021	Company 31 December 2021	Company 31 March 2021
	£	£	£	£
Trade creditors	997,749	421,406	218,120	421,785
Other taxation and social security	870,542	351,304	205,367	351,304
Other creditors	269,446	575,267	250,757	574,929
Accruals and deferred income	4,391,178	3,680	2,108,929	-
	<u>6,528,915</u>	<u>1,351,657</u>	<u>2,783,173</u>	<u>1,348,018</u>

**ARTESIAN SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**13. Creditors: Amounts falling due after more than one year**

	<b>Group 31 December 2021</b>	<i>Group 31 March 2021</i>	<b>Company 31 December 2021</b>	<i>Company 31 March 2021</i>
	£	£	£	£
Bank loans	<b>5,983,929</b>	1,784,113	<b>5,983,929</b>	1,784,113
Accruals and deferred income	<b>285,753</b>	1,839,232	<b>41,674</b>	1,839,232
	<u><b>6,269,682</b></u>	<u>3,623,345</u>	<u><b>6,025,603</b></u>	<u>3,623,345</u>

**14. Loans**

In December 2021, the company successfully refinanced previous indebtedness to provide working capital facilities for general business purposes.

	<b>Group 31 December 2021</b>	<i>Group 31 March 2021</i>	<b>Company 31 December 2021</b>	<i>Company 31 March 2021</i>
	£	£	£	£
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>5,983,929</b>	1,784,113	<b>5,983,929</b>	1,784,113
	<u><b>5,983,929</b></u>	<u>1,784,113</u>	<u><b>5,983,929</b></u>	<u>1,784,113</u>
	<u><b>5,983,929</b></u>	<u>1,784,113</u>	<u><b>5,983,929</b></u>	<u>1,784,113</u>

Included within bank loans, are loan arrangement fees of £55,623, amortisation of £1,135 is included within admin expenditure.

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ARTESIAN SOLUTIONS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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15. Financial instruments

	<b>Group</b>		<b>Company</b>	
	<b>31 December</b>	<i>Group</i>	<b>31 December</b>	<i>Company</i>
	<b>2021</b>	<i>31 March 2021</i>	<b>2021</b>	<i>31 March 2021</i>
	£	£	£	£
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<u>1,631,613</u>	<u>1,981,326</u>	<u>1,360,052</u>	<u>1,963,889</u>

**ARTESIAN SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**16. Business combinations**

**Acquisition of DueDil Limited**

On 31 July 2021 the group acquired 100% of DueDil Limited a UK company which offers subscriptions to a company intelligence platform that gives businesses a solution to identify opportunities and manage risk, through a share for share exchange offering existing DueDil Limited Shareholders shares in Artesian Solutions Limited.

In calculating the goodwill arising on acquisition the fair value of net assets of DueDil Limited have been assessed and adjustments from book value have been made where

	Book value	Adjustment	Fair value
	£	£	£
Tangible Fixed Assets	49,261	-	49,261
Intangible Fixed Assets	321,038	(321,038)	-
Debtors due within 1 Year	3,267,264	157,712	3,424,976
Cash and Cash Equivalents	252,666	-	252,666
Creditors due within 1 Year	(5,679,264)	-	(5,679,264)
Bank Loan	(3,990,884)	-	(3,990,884)
<b>Total net assets</b>	<b>(5,779,919)</b>	<b>(163,326)</b>	<b>(5,943,245)</b>
Net assets attributable to the group			<b>(5,943,245)</b>
Goodwill (Note 7)			<b>15,943,245</b>
Add Acq costs			<b>205,855</b>
Total Goodwill			<b>16,149,100</b>
<b>Total Purchase Consideration</b>			<b>10,000,000</b>
Purchase consideration			<b>10,000,000</b>
Less non-cash consideration			<b>(10,000,000)</b>
Less Cash and cash equivalents in subsidiary acquired			<b>(252,666)</b>
<b>Cash Outflow on Acquisition</b>			<b>9,747,334</b>

The useful economic life of goodwill has been estimated to be 5 years. Included within goodwill are intangible assets that do not require separate recognition.

NOTES TO THE FINANCIAL STATEMENTS  
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**17. Pension commitments**

The Group operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in an independently administered fund.

A charge of £95,515 (2021: £58,901) was recognised in the period. Contributions totalling £39,102 (2021: £32,497) were payable to the fund at the balance sheet date and are included within creditors.

**18. Related party transactions**

**MJF Pension Trustees Limited**

During the year, the Company paid MJF Pension Trustees Limited £51,261 (31 March 2021 : £44,000) for office rent.

The balance outstanding as at the balance sheet date was £6,700 (31 March 2021: £7,400) and is included within creditors.

**19. Controlling party**

The directors do not consider any one individual to have ultimate control.

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