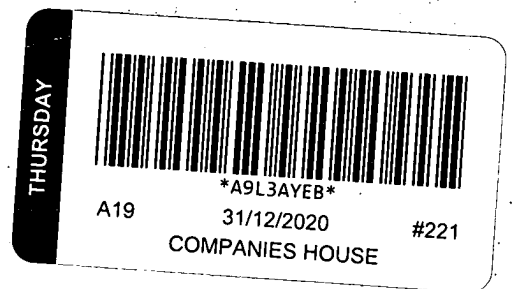


**Style Analytics Limited**

**Annual report and financial statements**

Registered number 03344323

31 March 2020



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## Strategic Report

The directors present their Strategic Report, Directors' report and financial statements for the year ending 31 March 2020 for Style Analytics Limited (the 'Company'). On 4th September 2015, Horizon Capital Fund 2013 A Limited Partnership (formerly Lyceum Capital Fund III A Limited Partnership) acquired a majority interest in the Company alongside the management team.

### A. STRATEGIC REVIEW

The principal activity of the Company in the year under review continues to be the provision of Portfolio Analytics software to institutional investors globally.

#### 1. Overview of activities

Style Analytics is an independent and global provider of software for investment professionals. Our software is delivered over a software as a service (SaaS) platform providing our customers the highest level of security and reliability.

Our software is used by 8 of the top 10 Asset Managers globally, and 46 of the top 100.

Winners of the Buy-Side Technology Award for "Best buy-side portfolio analysis tool" two years in a row, our technology is intuitive, easy to use and gives our customers the power to build objective and comprehensive factor analysis on markets, peer groups and individual portfolios. Style Analytics has over 20 years' experience in factor analysis and serves over 250 investment institutions, over 300 client locations across 26 countries.

We sell to businesses of all sizes and segments in the institutional investment market on a subscription licence basis, primarily through our direct sales efforts but also indirectly through partners. Our service offering includes automation, managed service, customer service and support.

Our core mission is to build investor confidence in the financial services industry by providing transparency throughout the investment lifecycle, from fund selection through to fund monitoring. As an independent provider of factor analytics tools, we allow the investment community to communicate effectively, instilling trust between investors and their service providers.

#### 2. Intuitive and powerful value proposition

Analysing a fund or portfolio by looking at holdings-based factor exposures during fund selection and ongoing monitoring, our intuitive and powerful Style Skyline™ provides easy to understand insight into the investment style employed by the fund manager.

**Asset Managers** use our products to validate their investment approach with our independent third-party analytics, provide assurance to their investors that their portfolios provide exposure to the types of investments they promised, to explain the performance of their funds, to construct or rebalance their portfolios, to analyse their offerings compared to their competitors and for a variety of other value-added purposes.

**Asset Owners** use our services to examine the factor exposures of their underlying investment managers, to find managers with which to replace existing investment allocations, to compare a specific fund to a group of other funds, to construct or rebalance their portfolio, to better understand the performance of their portfolio and for many other similar purposes.

Style Analytics is at the forefront of the equity investing industry, providing much needed factor transparency into equity funds without revealing the fund managers' industry secrets. Our analytical products are used by many market participants: fund managers, institutional investors, investment advisors, wealth managers, service providers, journalists, researchers and consultants.

Factor investing is a growing trend in the industry and is expected to grow to \$3.4tn by 2022. Style Analytics' factor analyses are used by 46 of the largest 100 Asset Managers in the world and by 8 of the 10 largest. In the past fiscal year, our platform was sold to 17 new institutions globally, reinforcing our prominent role in the factor analytics space.

## Strategic Report (continued)

### Strategic Review (continued)

#### 3. Our Software as a Service offering

Our platform is a fully integrated suite of tools with a standardised user interface able to take in multiple data feeds to provide analysis quickly and simply across markets, peer groups and individual portfolios. By providing an integrated solution, our customers are able to bypass many manual processes, saving cost whilst gaining consistent analysis. The technology is state of the art and fully native cloud-based, since having been one of the first to switch to SaaS, we are at the forefront of technical innovation. A partial list of our offerings includes:

- **Portfolio Analyzer.** Style Analytics' flagship product provides holdings-based analysis which customers use to drill down into the investment style of a portfolio and gain insights on portfolio structure, risk and performance. Its benefits are invaluable helping fund managers construct better portfolios.
- **Peer Insights™.** Peer Insights compares style factors between individual funds and a peer/competitor group. It shows the comparative exposures that differentiate two funds from each other and from their peers/competitors. Its biggest benefit is helping fund managers pick better funds in which to invest.
- **Similyzer.** Searches through the holdings of over 28,000 funds to find those that are most similar to a target fund based on factor criteria chosen by the user. It presents all the similar funds together with performance, risk, ESG and other analytics for deeper analysis by the user.
- **ESG Analytics.** Style Analytics' collaboration with ESG data vendors has resulted in a unique suite of analyses including portfolio factor exposures and portfolio ESG scores. Our analytics includes multiple vendor ESG assessment, product involvement ("sin list" analysis), ESG risk distributions and portfolio Carbon footprint.
- **Markets Analyzer.** This is a tool to research and appraise return characteristics of equity investment strategies across global regions. Our customers use this to statistically verify style-based and factor-based research enquiries.
- **Master Skyline.** Style Analytics has simplified the presentation of portfolio factor exposure to just 7 Factor Groups plus ESG, appropriate for those new to factor analysis and for those communicating with wide audiences.
- **Portfolio Labs.** Customers use this tool to perform 'what if' modelling to determine how a portfolio might behave when positions are replaced by other fund-/ stock choices. This key capability for portfolio construction allows managers see how changes to the portfolio composition would impact their factor exposures.
- **Factors as a Service.** A managed service for the collection, cleansing and uploading of fund data from multiple sources to deliver factor analytic reports for customers who are resource constrained or who lack expertise in-house to deliver reports.

**Continuous innovation.** Style Analytics releases code updates every four to six weeks that provide improvements and new features. Our Product Management team works closely with customers through our Customer Advisory Board to prioritise the most impactful projects. These efforts result in a close alignment between our customers' most pressing needs and the services we provide.

## Strategic Report (continued)

### Strategic Review (continued)

#### 4. Business benefits from using Style Analytics

By using our solutions, our customers unlock three key business benefits:

##### → Growth

**Competitive edge.** Insights into competitors is critical in this highly competitive industry, including into passive investment vehicles that claim to offer similar exposure for lower fees. We offer a quantitative solution to understand and illustrate how one fund differs from another and which funds are suitable for a particular investment approach. We make it easy to compare funds' factor exposures and clearly identify the drivers of risk, returns and other characteristics including ESG. This gives our customers an informed view across the competitor universe and allows them to differentiate themselves against their fiercest rivals, highlighting their most attractive traits.

**Create new products.** Identifying opportunities in the market for new investment product creation is essential to the business growth of our customers. We are able to help them grow their businesses by easily identifying factor exposures that match their investment outlook and construct funds that will be more attractive to investors.

##### → Lower costs

**Ease of use.** Our solutions are designed to be intuitive and easy to use. Style Analytics software uses modern and recognisable tools and features that are similar to popular consumer websites and provide a familiar user experience requiring minimal training. Our Style Skyline™ is a recognised standard in factor analysis precisely because it's easy and intuitive.

**Rapid deployment and lower total cost of ownership.** Because our services are cloud based, our customers save time and money on procurement and maintenance of servers, networking equipment and other burdens versus the traditional installed software model. Customers also benefit from the predictability of their future costs as they generally pay for the service on a per subscriber basis. We further reduce the total cost of ownership because customers do not need to upgrade their systems; our development and product staff are responsible for ensuring all backwards compatibility through the cloud-based application.

**Reduction of systems and manual processes.** Our platform provides a clear and concise picture across markets, peer groups and individual portfolios within one system, reducing both manual effort and the need for multiple tools to accomplish these tasks.

##### → Independent validation

**Truly independent.** We are solely focussed on providing our customers with factor analytics and are not involved in any competitive functions such as fund or index creation. This dedication to factor analysis provides our customers with an industry standard validation tool that instils trust with their investors and service providers.

## Strategic Report (continued)

### Strategic Review (continued)

#### 5. Our Growth Strategy

Our growth strategy has three key strands:

##### → Extending our reach

We continue to extend our reach via three channels:

**International expansion.** We continue to increase our investment in our international go-to-market resources, operations and infrastructure to deliver the highest quality service to customers around the world.

**Managed service.** We are scaling up our current managed service to offer lower tiered segments of the market a complete service offering. This is a critical part of our North American Growth Strategy, as that market expects a higher level of 'white glove' service than other global markets.

**Channel partners.** We continue to work with strategic data providers to provide deep coverage of markets and segments. Style Analytics' solutions address many of the industry's current pain points and open the door to new opportunities for them in new and existing markets. We have solid partnerships in place with best-in-class platforms and data providers including Mercer, eVestment and Sustainalytics.

**Cross selling and upselling.** We have a significant opportunity to deepen relationships and unlock substantial value for our customers. We aim to upgrade the customer experience with additional subscriptions covering new services and by targeting new functional areas and business units within existing customers. Increased customer loyalty is demonstrated as we continue to successfully convert existing clients onto strategic multi-year contracts. In the past year we converted Allianz, Candriam, Edmond de Rothschild, Hydro Quebec, Martin Curie, Mn, Nikko and SEI. In addition, most of the 17 new logos signed were also on multi-year commitments including Fiera, LGPS, Handelsbanken, High Probability, J&E Davy, Swedbank, Talisman, Unicorn and Vontobel. 38% of revenue is under multi-year contracts and this percentage continues to climb.

##### → Product innovation

**ESG.** We offer Environmental/Social/Governance factor analysis to complement our traditional fundamental factors, helping customers with their ESG goals. We expect the significant global growth in ESG focused investment vehicles will continue to drive growth in our ESG analytics offerings. Last fiscal year we added Sustainalytics data and analytics including Carbon Footprint analysis to our products, and this coming year we shall add additional analytics based on data from MSCI, S&P and ISS.

**Master Skyline / Fund Classification.** Earlier this year, we launched our Master Skyline, providing a summarised and concise view of our Style Skyline™. The Master Skyline view displays an aggregated factor exposure for each Factor Group or Style with drill-down capability to the traditional and more detailed Style Skyline. This simpler presentation is appropriate for audiences with less familiarity with factor analysis like Wealth Management and Emerging Markets, including China.

**Similyzer™.** During our first quarter trading after these financial statements (Apr-Jun20), we launched a significant new module of our Peer Insights product that is unique in the industry. Our Similyzer module will allow users to quickly identify which funds, out of over 28,000 funds in our database, are similar to a target fund of interest. This will be particularly useful for Asset Managers to find their closest competitors and for Asset Owners to find funds they might rather invest with.

**Strategic Report** (continued)

**Strategic Review** (continued)

→ **Thought leadership and branding**

Starting this past fiscal year, we began a series of Thought Leadership initiatives:

**Research papers.** We now regularly publish original research of interest to the investment management industry including topics like “Active Management Beats Passive During Market Downturns” and “Factors in Crashes and Recoveries”.

**Monthly Factor Performance Reporting.** Each month we publish a comprehensive set of factor performance reports that are then used in an analysis we provide on the US, Europe and Emerging Markets. Quarterly we produce a webcast analysis of worldwide markets.

**Podcast.** In the upcoming fiscal year, we are launching the “What’s Your Prior?” podcast that features interviews of industry experts on topics of interest to our clients and prospective clients.

**Client Advisory Board.** We conduct semi-annual meetings in both NY and London of our two Client Advisory Boards which help us create our strategic product development plans, review industry trends and advise us on practical growth initiatives.

In addition to the key elements of our business strategy described above, from time to time, we evaluate opportunities to acquire or invest in complementary businesses, services, technologies and intellectual property rights.

**Strategic Report (continued)**

**B. PERFORMANCE METRICS**

The directors use a number of measures to monitor and benchmark the performance of the Company, and Group, the most significant of which are:

- Revenue;
- Annual Recurring Revenue;
- Customer retention;
- EBITDA (a key profitability measure representing Earnings Before Interest, Tax, Depreciation and Amortisation); and
- Cash.

**Market summary:** The directors were pleased with the performance of the business during the year, particularly given the worldwide COVID crisis during the final quarter. As explained later in this report, there were no material financial effects upon the business, but we assisted our customers with free products during the crisis, whilst our employees demonstrated extraordinary flexibility and were highly effective working from home. Demonstrating the resilience and importance of our products to our customers, our first quarter trading after these financial statements (Apr-Jun20) the Group recorded 8 new clients and 19% growth over the same period last year.

**Revenues:** The Company sells its products wholly on a subscription basis and for the year ended 31 March 2020 revenues increased to £9,868,000 (2019: £9,557,000), representing an increase of 3%. The timing of closure of orders and the increase of annual invoicing in advance has an impact on deferred income balances which at 31 March 2020 were £2,948,000 (2019: £1,669,000).

**Annual Recurring Revenue:** 'ARR' increased by 5% from £8,796,000 to £9,204,000 at the end of March 2020 providing strong visibility over next year's revenue. The quality of our contracted revenue continues to increase as a result of extending standard contract lengths for new business and, in many cases, by extending the contract length for our existing customers in line with industry standard.

**EBITDA:** Adjusted EBITDA (as defined and quantified below) for the Company for the year ended 31 March 2020 was £2,667,000 (2019: £2,441,000). Gross profit increased by £342,000 to £8,596,000 (2019: £8,254,000) whilst operating expenses\* increased by £116,000 to £5,929,000 (2019: £5,813,000).

**Cash:** Operating cash conversion for the year ending 31 March 2020 was over 120%. The Company's cash balances decreased by £747,000 resulting in a balance of £3,573,000 as at 31 March 2020 (2019: £4,320,000). The reduction arose due to the December 2019 group refinancing to repay c.£6m Loan Notes and their accumulated interest with cheaper bank debt. The net cash reduction from the refinancing was £2.6m.

**Trading results summary**

£000's	FY18 Restated	FY19	FY20
Revenue	7,931	9,557	9,868
Cost of Sales	(1,240)	(1,303)	(1,272)
Gross Profit	6,691	8,254	8,596
Gross Profit %	84%	86%	87%
Operating Expenses **	(5,097)	(5,813)	(5,929)
<b>Adjusted EBITDA</b>	<b>1,594</b>	<b>2,441</b>	<b>2,667</b>

\*Operating expenses exclude foreign currency gains and losses; other non-recurring items, Monitoring / chairman / facility fees and management recharges totalling £477,000 (2019: £300,000; 2018: £766,000).

**Trade Debtors:** Included in debtors are trade debtors, all on normal trading terms, with the majority collected within one month of invoicing. The Company invoices in multiple currencies and therefore operates bank accounts in those currencies.

**Deferred income:** Deferred income arises from the Company entering into either quarterly or annual contracts with customers, which are billed at the start of the contract period. Deferred income amounts to £2,948,000 as at 31 March 2020, (2019: £1,669,000). Revenue is carried forward into the next financial year to be recognised evenly during the period of service.

## Strategic Report (continued)

### Performance metrics (continued)

**Research and Development:** A portion of our total development costs are capitalised when certain criteria are met, particularly in respect of new products, as specified in note 1.6. The directors remain committed to investment in Research and Development while ensuring the sales and marketing groups are structured in such a way to take advantage of geographical growth, channel strategy and vertical competencies. New products and modules continue to be developed and will be launched to complement and expand upon the current offering. Style Analytics was an early adopter of modern SaaS technology and already has a market-leading, multi-tenanted SaaS platform. We are now part way through a multi-year investment programme to further broaden our product offering including enhanced ESG, Similyzer, simplified Master Skyline and Change Analysis.

**Future Prospects/Outlook:** The directors are confident we will continue to drive strong performance in the business and grow in all our principal territories. We are satisfied with the trading results for the year to 31 March 2020 and with the financial position of the Company and Group at the year end.

We believe the outlook for the business is positive as evidenced by the strong sales achieved in the first quarter of the financial year ended 31 March 2021.

The directors are not aware, at the date of this report, of any likely major changes in the Group's activities in the next year. The Board remains open to the possibility of further accelerating the growth strategy through targeted acquisitions.

### Principal Risks and Uncertainties

The main financial risks arising from the Group's financial instruments are foreign currency risk, credit risk and market risk. Whilst Style Analytics is active in building out its products, as with all services of this nature, there can be new competitors entering this market. The barriers to entry are relatively high given the time, investment, resources and know-how to build offerings similar to our own.

#### Foreign Currency Risk

The Company makes sales to customers overseas and is therefore exposed to movement in exchange rates, predominantly the US Dollar. The Group operates a subsidiary in the United States which assists in minimising the exposure. The Group has not entered into any derivative financial instruments to manage foreign exchange currency risk.

#### Credit Risk

The Company's principal financial assets are cash and trade debtors. The credit risk associated with the trade debtors is limited as the counterparties are financially strong financial institutions and have high credit ratings assigned by international credit rating agencies. Invoicing is also in advance, either quarterly or annually.

#### 'BREXIT' Risk

Whilst the 'BREXIT' process remains to be concluded by the government, the directors are monitoring the situation closely and are satisfied there should be no material impact on the business due to the nature and supply of our services.

### Going Concern for the Group and the Company

The directors have every reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. Whilst the recent COVID-19 crisis had an impact in our final quarter with lower trading, there has been no material financial effect, however the directors are constantly monitoring the situation. The directors have undertaken a review of the future financing requirements for the ongoing operation of the Company, and wider Group, and are satisfied that sufficient cash facilities and reserves are available to meet its working capital requirement for the foreseeable future and at least 12 months from the date of signing of these financial statements. Thus, the Group and Company continues to adopt the going concern basis in preparing the financial statements (see note 1.2 for details).

**Strategic Report (continued)**

**Environmental and Corporate Social Responsibility**

At Style Analytics, we recognise our responsibilities as an international business and we aim to set, encourage and sustain high standards of corporate responsibility in everything we do across our operations. We value the impact that our brand and behaviour has on our surrounding community; we actively engage in activities that aim to improve standards for people and the environment. Style Analytics' own portfolio analytics tools are world-leading in the analysis of Environment, Social and Governance factors within institutional investors' portfolios.

Style Analytics has chosen NSPCC as its corporate charity for 2020.

**Strategy**

As we enter FY2021 we continue to invest and scale the business in three specific areas:

- We are leveraging our experience, reputation and industry relationships to win new customers and sell more to existing customers: we are investing in more front-end resource for sales and support, and increasing our marketing capability;
- We are launching new products and services: we are further strengthening our product management; and
- We are investigating potential acquisitions and partnerships to either supplement our core products or enhance our footprint, particularly in North America.

On behalf of the board

  
**Lee Colliss**

Director

10 September 2020

## Directors' report

The directors present the audited financial statements of the company for the year ending 31 March 2020.

### Proposed dividend

The directors do not recommend the payment of a dividend for the year ended 31 March 2020 (2019: nil).

### Directors

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

Sebastien Roussotte  
Lee Colliss  
George Kallarackal

### Political contributions

The Company made no political donations and incurred no political expenditure during the year.

### Disclosure of information to auditors

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

### Statement of directors' responsibilities in respect of the annual report and the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Directors' Report** (continued)

**Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

**Other information**

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1 to 8.

**Post balance sheet events**

**COVID-19**

On 11 March 2020, the World Health Organisation declared the global coronavirus outbreak (COVID-19) a pandemic. The Directors understand this has created additional risks for all businesses. The coronavirus pandemic has impacted the Group and Company's ability to operate as it follows Government advice and requirements in the areas in which it operates. This therefore increases uncertainty with regards to future revenue and cash flows. In addition, illness may impact our staff and customers' ability to develop and utilise the software.

The strong governance model operated by the Group and Company has allowed the business to react positively to the risk and challenges faced by COVID-19. The Group and Company has followed government advice to safeguard the employees and providing guidance in case of COVID-19 symptoms. In March 2020, the company instructed all staff to work from home and the directors have been extremely pleased with their ability to continue working effectively, with many teams reporting increased productivity.

In addition, we assisted our customers and wider prospect base with temporary free products, modules and user licences to help them through the worst of the crisis. Whilst this was fundamentally aimed to assist our Investment Management community, the resulting wider spread of our products may lead to more sales when the free period ends, as customers and prospects experience the invaluable power of our analytic tools within their organisations. Indeed, in the first four months of the new financial year ending March 2021, the Group has already sold solutions to 12 new customers, compared to the already strong performance of 15 new customers throughout the whole of this year. This indicates that the dramatic market shifts caused by COVID have created an even greater demand for the solutions provided by Style Analytics.

Since the effect of COVID-19 on the business was limited, the Group and Company did not furlough any staff, nor seek any assistance from the Government, other than various short-term PAYE/VAT payment deferrals.


The Board continue to ensure strong management of the crisis, prioritising our stakeholder safety at all times.

COVID-19 is an adjusting event that has had no material adjustment to these financial statements.

**Independent Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors PricewaterhouseCoopers LLP will be deemed to be reappointed.

On behalf of the board



Lee Colliss  
Director

Melbourne House  
46 Aldwych  
London  
WC2B 4LL

10 September 2020

Registered number: 03344323

## **Independent auditors' report to the members of Style Analytics Limited**

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Style Analytics Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2020; the profit and loss account and statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

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

#### *Independence*

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

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#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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#### **Reporting on other information**

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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## Responsibilities for the financial statements and the audit

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities in respect of the annual report and financial statements on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### *Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

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

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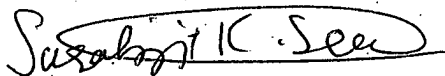
## Other required reporting

### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Sarabjit Seera (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

10 September 2020

## Profit and Loss Account and Statement of Comprehensive Income

for year ended 31 March 2020

	Note	2020 £000	2019 £000
<b>Turnover</b>	2	<b>9,868</b>	9,557
Cost of sales		<b>(1,272)</b>	(1,303)
<b>Gross profit</b>		<b>8,596</b>	8,254
Administrative expenses		<b>(6,995)</b>	(6,442)
<b>Operating profit before depreciation, amortisation, non-recurring expenses, foreign exchange gains and losses ("Adjusted EBITDA")</b>		<b>2,667</b>	2,441
Depreciation	3	(99)	(102)
Non-recurring expenses	3	(419)	(203)
Foreign exchange gains	3	79	103
Management recharge		(137)	(200)
Other administrative expenses			
Operating profit prior to amortisation		<b>2,091</b>	2,039
Amortisation of intangible assets	9	<b>(490)</b>	(227)
<b>Operating profit</b>	3	<b>1,601</b>	1,812
Interest receivable and similar income	6	13	7
Interest payable and similar expenses	7	<b>(186)</b>	(176)
<b>Profit before taxation</b>		<b>1,428</b>	1,643
Tax on profit	8	<b>(188)</b>	(182)
<b>Profit for the financial year</b>		<b>1,240</b>	1,461
<b>Other comprehensive income</b> for year ended 31 March 2020		<b>2020 £000</b>	<b>2019 £000</b>
<b>Profit for the financial year</b>		<b>1,240</b>	<b>1,461</b>
<b>Other comprehensive result</b>		-	-
Other comprehensive result		-	-
<b>Other comprehensive result net of income tax</b>		-	-
<b>Total comprehensive income for the financial year</b>		<b>1,240</b>	<b>1,461</b>


All amounts arose from continuing operations during the current and previous year.

The notes on pages 16 to 26 form an integral part of these financial statements.

**Balance Sheet**  
at 31 March 2020

	<i>Note</i>	<b>2020</b> £000	<b>2020</b> £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Intangible assets	9		2,431		1,903
Tangible assets	10		154		237
Investments	11		4,409		4,409
			<u>6,994</u>		<u>6,549</u>
<b>Current assets</b>					
Debtors	12	7,734		2,544	
Cash at bank and in hand		<u>3,573</u>		<u>4,320</u>	
		11,307		6,864	
<b>Creditors: amounts falling due within one year</b>	13	<u>(10,832)</u>		<u>(7,309)</u>	
<b>Net current assets / (liabilities)</b>			475		(445)
<b>Total assets less current liabilities</b>			<u>7,469</u>		<u>6,104</u>
<b>Deferred tax liability</b>	14		483		358
<b>Capital and reserves</b>					
Called up share capital	15	1		1	
Profit and loss account		<u>6,985</u>		<u>5,745</u>	
<b>Total shareholders' funds</b>			<u>6,986</u>		<u>5,746</u>
<b>Total capital, reserves and long-term liabilities</b>			<u>7,469</u>		<u>6,104</u>

These financial statements were approved by the board of directors on 10 September 2020 and were signed on its behalf by:

  
**Lee Colliss**  
Director  
Registration number: 03344323

The notes on pages 16 to 26 form an integral part of these financial statements.

**Statement of Changes in Equity**  
for year ended 31 March 2020

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2018	1	4,284	4,285
Profit for the financial year	-	1,461	1,461
Other comprehensive result	-	-	-
Total comprehensive income for the year	-	1,461	1,461
<b>Balance at 31 March 2019</b>	<b>1</b>	<b>5,745</b>	<b>5,746</b>

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2019	1	5,745	5,746
Profit for the financial year	-	1,240	1,240
Other comprehensive result	-	-	-
Total comprehensive income for the year	-	1,240	1,240
<b>Balance at 31 March 2020</b>	<b>1</b>	<b>6,985</b>	<b>6,986</b>

The notes on pages 16 to 26 form an integral part of these financial statements.

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Style Analytics Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The registered address was Melbourne House, 46 Aldwych, London, WC2B 4LL. The principal activity of the Company continues to be the provision of Portfolio Analytics software and services to institutional investors globally.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Related party transactions between two or more members of the same group; and
- Key Management Personnel compensation.

As the consolidated financial statements of Newincco 1358 Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Amendments to FRS 102 introduced by the Triennial review 2017 are effective for accounting periods beginning on or after 1 January 2019. Changes relevant to these financial statements are incorporated.

#### 1.1 Measurement convention

The financial statements are prepared on the going concern and historical cost basis and in accordance with Companies Act 2006.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis. As at 31 March 2020 the company had net current assets of £475,000 (2019: £445,000 net current liabilities).

The Directors believe the going concern basis is appropriate because the Company's ultimate parent company, Newincco 1358 Limited, has undertaken that it will, for at least 12 months from the date of the approval of these financial statements, continue to make available such funds as are needed by the Company. This should enable the Company to meet its liabilities as they fall due for payment and continue to operate for the foreseeable future.

At a Group level, the consolidated Newincco 1358 Limited financial statements show a net liability position of £22,089,000 (2019: £16,741,000) due to shareholder loans and bank loans repayable in 2022 and 2023, however the Group has cash balances of £3,946,000 (2019: £4,835,000) and net current liabilities of £1,894,000 (2019: £853,000 assets).

**Notes (continued)**

**1 Accounting policies (Continued)**

**1.2 Going concern (Continued)**

The directors have performed a detailed review of current trading including a consideration of the financial position as at the date of approval of these financial statements and the projected results and financial position of the Group over the next 12 months. Following this review and based on the Group's continued strong trading, the directors are confident that the Group will continue to generate positive cash flows from trading activities for the foreseeable future.

**1.3 Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency of Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**1.4 Basic financial instruments**

*Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

*Investments*

Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

*Investments in ordinary shares*

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

*Cash and cash equivalents*

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

## Notes (continued)

### 1 Accounting policies (Continued)

#### 1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- leasehold improvements 10 years
- computer equipment 5 years straight line
- furniture fittings and equipment 5 years straight line

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

#### 1.6 Intangible assets

##### Research and Development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred. Expenditure on development of software products is capitalised as an intangible asset when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use;
- Management intends to complete the software and use or sell it;
- There is an ability to use or sell the software;
- It can be demonstrated how the software will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

##### Amortisation of intangible assets

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- software development 4 years

The basis for choosing the useful lives is based on management's assessment of the life of each asset.

The group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

#### 1.7 Employee benefits

##### Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

## Notes (continued)

### 1 Accounting policies (Continued)

#### 1.8 Turnover

Turnover comprises revenue recognized by the Company in respect of services supplied during the year and intercompany recharges, exclusive of value added tax and trade discounts. Turnover is recognised on a straight line basis over the period the customer subscribes to the Company's services. Any amounts invoiced in advance of the subscription period are carried forward within deferred income.

#### 1.9 Expenses

##### *Operating lease*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### *Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

#### 1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 1.11 Share Capital

Ordinary shares are classified as equity.

**Notes (continued)**

**2 Turnover**

Turnover arises from the provision, distribution and support of investment consultancy and advisory software and its related products and services of £8,811,000 (2019: £8,241,000) and intercompany recharges of £1,057,000 (2019: £1,316,000).

In the opinion of the directors 38% of the turnover generated by the Company is attributable to geographical markets outside the UK (2019: 40%).

**3 Operating profit is stated after charging / (crediting)**

*Included in profit / (loss) are the following:*

	2020 £000	2019 £000
Research and Development expensed as incurred	1,730	1,700
Depreciation of tangible fixed assets	99	102
Amortisation of intangible assets	490	227
Operating lease charges	187	237
Net foreign exchange gain	(79)	(103)
	1,730	1,700
<i>Auditors' remuneration:</i>		
	2020 £000	2019 £000
Audit fees	14	10

Included within administrative expenses are non-recurring costs of £419,000 (2019: £203,000) which were incurred by the business. These relate to £350,000 (2019: £163,000) in respect of restructuring the business, and £69,000 (2019: £40,000) in respect of consultancy costs primarily relating to strategic product and other consultancy and one-off staff related costs.

**Notes (continued)**

**4 Staff numbers and costs**

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	Number of employees
	2020	2019
Sales and Marketing	6	7
Technical development and customer support	20	19
General and administrative	4	3
	<b>30</b>	<b>29</b>

The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	2,624	2,472
Social security costs	312	276
Other pension costs	172	164
	<b>3,108</b>	<b>2,912</b>

**5 Directors' remuneration**

The remuneration paid to the highest paid director was £nil (2019: £nil), as all the directors are remunerated by the other group entities.

In addition to the amounts above paid by the Company, other group entities paid the following remuneration to the Directors of the Company:

	2020 £000	2019 £000
Directors' emoluments	712	1,179
Other pension costs	33	31
	<b>745</b>	<b>1,210</b>

The remuneration paid to the highest paid director of this Company by other group companies was £303,000 (2019: £388,000)

**6 Interest receivable and similar income**

	2020 £000	2019 £000
Interest receivable on cash at bank	13	7
	<b>13</b>	<b>7</b>

**7 Interest payable and similar expenses**

	2020 £000	2019 £000
Interest payable and similar expenses	186	176
	<b>186</b>	<b>176</b>

**Notes (continued)**

**8 Tax on profit**

**Total tax expense recognised in the profit and loss account and other comprehensive income and equity**

	2020 £000	2019 £000
<i>Current tax</i>		
Current tax on income for the year	63	61
Adjustments in respect of prior years	-	-
Total current tax	<u>63</u>	<u>61</u>
<i>Deferred tax (see note 14)</i>		
Origination and reversal of timing differences	92	121
Adjustments in respect of prior years	(8)	-
Effect of increased/decreased tax rate on opening balance	41	-
Total deferred tax	<u>125</u>	<u>121</u>
Total tax	<u><u>188</u></u>	<u><u>182</u></u>

Total tax was recognised in the profit and loss account.

**Reconciliation of effective tax rate**

	2020 £000	2019 £000
Profit for the year	1,240	1,461
Total tax charge	<u>188</u>	<u>182</u>
Profit before taxation	1,428	1,643
Tax using the UK corporation tax rate of 19% (2019: 19%)	272	312
Increase in tax rate on deferred tax balances	41	-
Non-deductible expenses	15	(129)
Deferred tax not recognised	68	62
Origination and reversal of timing differences	-	121
Adjustments in respect of previous years	(8)	-
Group relief claimed	<u>(200)</u>	<u>(184)</u>
Total tax charge included in profit or loss	<u><u>188</u></u>	<u><u>182</u></u>

The company claims R&D tax credits under the research and development expenditure tax credit "RDEC" scheme and has presented the amounts receivable under this scheme in administration expenses. The total R&D tax credits receivable related to 2020 are £330,000 (2019: £323,000).

*Factors affecting future tax periods*

Deferred tax assets of £35,000 (2019: £23,000) have not been recognised on losses carried forward due to uncertainty over timing of the realisation of this asset.

At 31 December 2019, changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2017 (on 6 September 2016). These included reductions to the main rate to reduce the rate to 17% from 1 April 2020. Finance Bill 2020 (enacted on 19 March 2020) amended Finance Bill 2017 so that there will no longer be a reduction to 17%; the rate will now remain at 19%. The expected impact would see a change in deferred tax. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**Notes (continued)**

**9 Intangible assets**

	<b>Software Development £000</b>
<b>Cost</b>	
At 1 April 2019	2,334
Additions in the year	1,018
Balance at 31 March 2020	3,352
<b>Accumulated amortisation</b>	
At 1 April 2019	431
Amortisation for the year	490
Balance at 31 March 2020	921
<b>Net book value</b>	
<b>At 31 March 2020</b>	<b>2,431</b>
At 31 March 2019	1,903

Software development includes assets in progress amounting to £549,000 (2019: £1,412,000).

**10 Tangible assets**

	<b>Computer Equipment £000</b>	<b>Fixtures &amp; fittings £000</b>	<b>Leasehold Improvements £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 April 2019	124	313	168	605
Additions	17	-	-	17
Disposals	(4)	-	-	(4)
At 31 March 2020	137	313	168	618
<b>Accumulated depreciation</b>				
At 1 April 2019	69	232	67	368
Depreciation for the year	22	59	18	99
Depreciation write off on disposal	(3)	-	-	(3)
At 31 March 2020	88	291	85	464
<b>Net book value</b>				
<b>At 31 March 2020</b>	<b>49</b>	<b>22</b>	<b>83</b>	<b>154</b>
At 31 March 2019	55	81	101	237

**Notes (continued)**

**11 Investments**

	Shares in group undertakings £000	Total £000
<i>Cost</i>		
At 31 March 2020	<u>4,409</u>	<u>4,409</u>
At 31 March 2019	<u>4,409</u>	<u>4,409</u>
<i>Net book value</i>		
At 31 March 2020	<u>4,409</u>	<u>4,409</u>
At 31 March 2019	<u>4,409</u>	<u>4,409</u>

The Company is exempt by virtue of the Companies Act 2006 from the requirement to prepare group financial statements. Goodwill on acquisition is recognized in the Group financial statements.

The Company has the following investments in subsidiaries, associates and jointly controlled entities

	Address of incorporation	Class of shares held	Ownership 2020 %	Ownership 2019 %
Style Analytics Corp.	220-2205 Boul. De Cote-Vertu, Montreal, Quebec, H4R 1N8, Canada	Ordinary	100	100
Style Analytics Inc.	115 Newbury Street, Fifth Floor, Boston, MA 02116, United States	Ordinary	100	100

**12 Debtors**

	2020 £000	2019 £000
Trade debtors	327	337
Amounts owed by group undertakings	6,368	1,113
Other debtors	47	22
Corporation tax receivable	529	507
Prepayments and accrued income	<u>463</u>	<u>565</u>
	<u>7,734</u>	<u>2,544</u>
Due within one year	<u>7,734</u>	<u>2,544</u>
	<u>7,734</u>	<u>2,544</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**Notes (continued)**

**13 Creditors: amounts falling due within one year**

	2020	2019
	£000	£000
Trade creditors	633	741
Amounts owed to group undertakings	5,963	3,682
Taxation and social security	413	309
Other creditors	246	39
Accruals and deferred income	3,577	2,538
	10,832	7,309

Amounts owed to group undertakings are unsecured and repayable on demand. Included within amounts owed by group undertakings is a balance of £2,754,000 (2019: £2,122,000) with an intercompany interest rate of 5.65%.

**14 Deferred tax liability**

Deferred tax liabilities are attributable to the following:

	2020	2019
	£000	£000
Balance brought forward restated	358	237
Credit to profit and loss account	125	121
<b>Balance at 31 March</b>	<b>483</b>	<b>358</b>

**15 Called up share capital**

	2020	2019
	£000	£000
<i>Allotted, called up and fully paid</i>		
800 (2019: 800) ordinary shares of £1 each	1	1

*Dividends*

No dividends were paid during the year (2019: £nil)

**16 Financial instruments**

*Carrying amount of financial instruments*

The carrying amounts of the financial assets and liabilities include:

	2020	2019
	£000	£000
Assets measured at amortised cost	423	401
Liabilities measured at amortised cost	(1,921)	(1,958)

**Notes (continued)**

**17 Commitments**

Non-cancellable operating lease rentals are payable as follows:

	2020 £000	2019 £000
Less than one year	231	240
Between one and five years	842	962
More than five years	-	120
	<u>1,073</u>	<u>1,322</u>

During the year £145,000 was recognised as an expense in the profit and loss account in respect of operating leases (2019: £224,000).

Bank loans of £11,800,000 (2019: £8,500,000) owed by Newincco 1373 Limited, another group entity, are secured by a fixed and floating charge against the assets of the Company.

**18 Related parties**

During the year Medface Ltd conducted a Technical Architecture review at a cost of £14,500. The sole director of Medface Ltd is Laurence Levy-Soussan, spouse of Sebastien Roussotte. No other related party transactions were conducted by the company during the year except for transactions with the other companies of the same Group (2019: no related party transactions except with other companies of the same Group).

**19 Ultimate controlling party**

The ultimate controlling party is Horizon Capital Fund 2013 A Limited Partnership (formerly Lyceum Capital Fund III A Limited Partnership) by virtue of its majority shareholding.

The largest and smallest group in which the results of the Company are consolidated is that headed by Newincco 1358 Limited, incorporated at the following address: Melbourne House, 46 Aldwych, London, WC2B 4LL, United Kingdom.

The immediate parent company is Newincco 1373 Limited.

**20 Accounting estimates and judgements**

*Key sources of estimation uncertainty*

Management do not consider there to be any key sources of estimation or uncertainty in preparing these financial statements.

*Intangible assets*

Intangible assets are capitalised when the costs associated with acquiring or developing the assets meet the criteria for capitalisation included in the accounting policies. Management estimates and time records are used to establish the payroll cost spent by in-house staff in the development of the assets in addition to directly attributable third party costs incurred.