

# OS AA01

Statement of details of parent law and other information for an overseas company



Companies House

FC030765AA1

**What this form is for**  
You may use this form to accompany your accounts disclosed under parent law.

**What this form is NOT for**  
You cannot use this form to register an alteration of manner of compliance with accounting requirements.

For further information, please refer to our guidance at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

## Part 1 Corporate company name

Corporate name of overseas company <sup>1</sup>

NDEVOR SYSTEMS LIMITED

UK establishment number

B R 0 1 5 8 2 5

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by \*

<sup>1</sup> This is the name of the company in its home state.

## Part 2 Statement of details of parent law and other information for an overseas company

### A1 Legislation

Please give the legislation under which the accounts have been prepared and audited.

Legislation <sup>2</sup>

Companies Act 2014

<sup>2</sup> This means the relevant rules or legislation which regulates the preparation of accounts.

### A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box.

No. Go to Section A3.

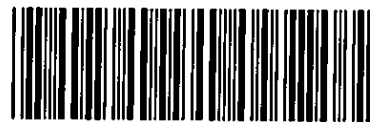
Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3.

<sup>3</sup> Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body <sup>3</sup>

The Institute of Chartered Accountants in Ireland

THURSDAY



\*JC60W27E\*

JNI 29/06/2023 #54

COMPANIES HOUSE

# OS AA01

Statement of details of parent law and other information for an overseas company

**A3**

## Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

- No. Go to Part 3 'Signature'.
- Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.

❶ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ❶

The Institute of Chartered Accountants in Ireland

## Part 3

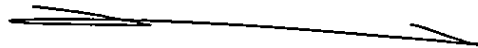
## Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by:  
Director, Secretary, Permanent representative.

# OS AA01

Statement of details of parent law and other information for an overseas company

## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Jillian O'Sullivan

Company name Grant Thornton

Address 13-18 City Quay

Post town

County/Region Dublin 2

Postcode 

D	0	2	E	D	7	0
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Country Ireland

DX

Telephone 00353 91 533924

## Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and, if appropriate, the registered number, match the information held on the public Register.
- You have completed all sections of the form, if appropriate.
- You have signed the form.

## Important information

Please note that all this information will appear on the public record.

## Where to send

You may return this form to any Companies House address:

**England and Wales:**

The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ. DX 33050 Cardiff.

**Scotland:**

The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF. DX ED235 Edinburgh 1

**Northern Ireland:**

The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG. DX 481 N.R. Belfast 1.

## Further information

For further information, please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)



Grant Thornton



# Consolidated Financial Statements

## Ndevor Systems Limited and Subsidiaries

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For the financial year ended 31 December 2021

Registered number: 369210

**Ndevor Systems Limited and Subsidiaries**

## General Information

<b>Directors</b>	James Myerscough (resigned 25 March 2022) Ronan Perceval Patrick Garvey (resigned 25 March 2022) Olivia Leonard Jonathan James Klahr Janna Robert (appointed 13 May 2021) Paolo Braguzzi (appointed 13 May 2021) Barry Mulligan (appointed 25 May 2022)
<b>Company secretary</b>	John Kennedy
<b>Registered number</b>	369210
<b>Registered office</b>	Anglesea Mills 9 Anglesea Row Off Little Britain Street Dublin 7 Ireland
<b>Independent auditor</b>	Grant Thornton Chartered Accountants & Statutory Audit Firm 13-18 City Quay Dublin 2 Ireland
<b>Banker</b>	Bank of Ireland College Green Dublin 2 Ireland
<b>Solicitor</b>	LK Shields 39/40 Upper Mount Street Dublin 2 Ireland

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## Ndevor Systems Limited and Subsidiaries

# Directors' report

For the financial year ended 31 December 2021

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

### Principal activities

The principal activities of Ndevor Systems Limited (the 'Company') and its subsidiaries (collectively known as the 'Group') are the development and sale of software for the hair and beauty industry and the provision of online booking systems for the hair and beauty industry.

### Business review

Ndevor Systems Limited and Subsidiaries (the "Group") has increased turnover from €16,581,037 in 2020 to €21,480,564 in 2021. With the easing of Covid-19 restrictions, the business is expected to continue back to its good growth path with its ongoing investment in new markets and platform reserach and development (R&D).

### Results and dividends

The loss for the financial year, after taxation, amounted to €4,377,900 (2020 - profit €664,547).

The directors do not recommend a payment of a dividend during the financial year.

### Directors, secretary and their interests

In accordance with Section 329 of the Companies Act 2014, the directors' secretary's shareholdings and the movements therein during the financial year ended 31 December 2021 were as follows:

	"A" Ordinary shares of 1c each	
	31/12/21	1/1/21
James Myerscough (resigned 25 March 2022)	-	-
Ronan Perceval	36,365	36,365
Patrick Garvey (resigned 25 March 2022)	3,959	3,959
Olivia Leonard	-	-
Jonathan James Klahr	-	-
Janna Robert (appointed 13 May 2021)	-	-
Paolo Braguzzi (appointed 13 May 2021)	-	-
<b>Company secretary</b>		
John Kennedy	-	-
	<u>40,324</u>	<u>40,324</u>

### Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the Group are in the following categories:

#### Economic

The Group is exposed to the risk of foreign exchange losses, increased interest rates and or inflation having an adverse impact on served markets.

## **Directors' report (continued)**

**For the financial year ended 31 December 2021**

### **Principal risks and uncertainties (continued)**

#### **Competitor**

The directors of the Group manage competition through close attention to market research, benchmarking with competition, and recruitment of highly skilled professional staff.

#### **Financial**

The Group prepares regular cash flow forecast to review liquidity requirements, and has prepared detailed plans covering the next 12 months of trading. The plan is updated on a regular basis as and when new information becomes available. The directors have financial reporting procedures to manage credit, liquidity and other financial risk.

#### **Accounting records**

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the Company's registered office at Anglesea Mills, 9 Anglesea Row, Off Little Britain Street, Dublin 7.

#### **Events since the end of the financial year**

In March 2022, the company raised \$12,000,000 debt funding. There have been no other significant events affecting the Group since the period end and the directors do not envisage any substantial changes to the nature of the business in the foreseeable future.

#### **Future developments**

The directors do not envisage any substantial changes to the nature of the business.

#### **Research and development activities**

The Group invests each financial year in research and development of new products. The total expenditure during the financial year was €5,021,370 (2020: €2,699,728) of which €nil was deferred to future periods.

#### **Statement on relevant audit information**

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

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

#### **Auditor**

The auditor, Grant Thornton, continues in office in accordance with section 383(2) of the Companies Act 2014.

## Directors' report (continued)

For the financial year ended 31 December 2021

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



.....  
**Jonathan James Klahr**  
Director



.....  
**Ronan Perceval**  
Director

Date: 22 July 2022

## Directors' responsibilities statement

**For the financial year ended 31 December 2021**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the Group and Company financial statements for each financial year. Under the law, the directors have elected to prepare the Group and Company financial statements in accordance with the Companies Act 2014 and 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 Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- 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 ensuring that the Group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the Group to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



.....  
**Jonathan James Klahr**  
Director



.....  
**Ronan Perceval**  
Director

Date: 22 July 2022

# Independent auditor's report to the members of Ndevor Systems Limited and Subsidiaries

## **Opinion**

We have audited the financial statements of Ndevor Systems Limited (the 'Company') and its subsidiaries (the 'group'), which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statement of changes in equity, the Consolidated Statement of cash flows for the financial year ended 31 December 2021, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, Ndevor Systems Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Group and the Company as at 31 December 2021 and of the Group financial performance and cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

## Independent auditor's report to the members of Ndevor Systems Limited and Subsidiaries (continued)

### **Other information**

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

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

We have nothing to report in this regard.

### **Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Group and the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

### **Matters on which we are required to report by exception**

Based on our knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

## Independent auditor's report to the members of Ndevor Systems Limited and Subsidiaries (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they determine 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, management is responsible for assessing the Group and 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 management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

### **Responsibilities of the auditor for the audit of the financial statements**

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

## Independent auditor's report to the members of Ndevor Systems Limited and Subsidiaries (continued)

### **Responsibilities of the auditor for the audit of the financial statements (continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

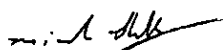
The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Where the auditor is reporting on the audit of a group, the auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. The auditor is responsible for the direction, supervision and performance of the audit, and the auditor remains solely responsible for the auditor's opinion.

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Shelley  
for and on behalf of  
**Grant Thornton**  
Chartered Accountants &  
Statutory Audit Firm  
13-18 City Quay  
Dublin 2  
Ireland

Date: 22 July 2022

## Consolidated statement of comprehensive income

For the financial year ended 31 December 2021

	Note	2021 €	2019 €
Turnover	4	21,480,564	16,581,037
Cost of sales		(2,827,660)	(1,874,104)
<b>Gross profit</b>		<b>18,652,904</b>	<b>14,706,933</b>
Administrative expenses		(24,026,113)	(15,348,500)
Other operating income	5	1,132,894	1,373,746
<b>Operating (loss)/profit</b>	6	<b>(4,240,315)</b>	<b>732,179</b>
Interest payable and similar expenses	10	(45,885)	(36,216)
<b>(Loss)/profit before taxation</b>		<b>(4,286,200)</b>	<b>695,963</b>
Tax on (loss)/profit	11	(91,700)	(31,416)
<b>(Loss)/profit for the financial year</b>		<b>(4,377,900)</b>	<b>664,547</b>
<b>Other comprehensive income</b>			
Foreign currency translation		13,656	1,603
<b>Other comprehensive income for the financial year</b>		<b>13,656</b>	<b>1,603</b>
<b>Total comprehensive (loss)/income for the financial year</b>		<b>(4,364,244)</b>	<b>666,150</b>
<b>(Loss)/profit for the financial year attributable to:</b>			
Owners of the parent Company		(4,377,900)	664,547

All amounts relate to continuing operations.


The notes on pages 17 to 38 form part of these financial statements.


## Consolidated statement of financial position

As at 31 December 2021

	Note	2021 €	2020 €
<b>Fixed assets</b>			
Intangible assets	12	8,709,032	59,997
Tangible assets	13	386,245	370,282
		<u>9,095,277</u>	<u>430,279</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	1,809,932	1,070,982
Cash at bank and in hand	16	8,716,701	8,657,651
		<u>10,526,633</u>	<u>9,728,633</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(3,715,313)	(4,450,668)
		<u>6,811,320</u>	<u>5,277,965</u>
<b>Net current assets</b>			
		<u>15,906,597</u>	<u>5,708,244</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	19	(800,000)	(1,862,860)
		<u>15,106,597</u>	<u>3,845,384</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	21	1,617	1,443
Share premium account	22	21,244,814	6,280,036
Share-based reserve	22	660,505	-
Accumulated losses	22	(6,800,339)	(2,436,095)
		<u>15,106,597</u>	<u>3,845,384</u>
<b>Shareholders' funds</b>			

The financial statements were approved and authorised for issue by the board on .

  
 .....  
**Jonathan James Klahr**  
 Director

  
 .....  
**Ronan Perceval**  
 Director

The notes on pages 17 to 38 form part of these financial statements.


## Company statement of financial position


As at 31 December 2021

	Note	2021 €	2020 €
<b>Fixed assets</b>			
Intangible assets	12	8,709,032	59,997
Tangible assets	13	354,973	352,039
Financial assets	14	105,352	35,080
		<u>9,169,357</u>	<u>447,116</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	3,326,541	1,592,023
Cash at bank and in hand	16	5,658,150	7,232,188
		<u>8,984,691</u>	<u>8,824,211</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	17	(3,012,253)	(3,975,071)
		<u>5,972,438</u>	<u>4,849,140</u>
<b>Net current assets</b>			
		<u>15,141,795</u>	<u>5,296,256</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	19	(800,000)	(1,633,459)
		<u>14,341,795</u>	<u>3,662,797</u>
<b>Net assets</b>			
		<u>14,341,795</u>	<u>3,662,797</u>
<b>Capital and reserves</b>			
Called up share capital	21	1,617	1,443
Share premium account	22	21,154,814	6,190,036
Share-based reserve	22	660,505	-
Accumulated losses		(7,475,141)	(2,528,682)
		<u>14,341,795</u>	<u>3,662,797</u>
<b>Shareholders' funds</b>			
		<u>14,341,795</u>	<u>3,662,797</u>

The Company has taken advantage of the exemption allowed under section 304 of the Companies Act 2014 and has not presented its own Statement of comprehensive income in these financial statement. The Company's loss for the year is €4,946,459 (2020: income €671,394).

The financial statements were approved and authorised for issue by the board:

  
 .....  
**Jonathan James Klahr**  
 Director

  
 .....  
**Ronan Perceval**  
 Director

Date: 22 July 2022

The notes on pages 17 to 38 form part of these financial statements.

## Consolidated statement of changes in equity

For the financial year ended 31 December 2021

	Called up share capital	Share premium account	Share based reserve	Accumulated losses	Equity attributable to owners of parent Company	Total equity
	€	€	€	€	€	€
At 1 January 2021	1,443	6,280,036	-	(2,436,095)	3,845,384	3,845,384
<b>Comprehensive (loss)/income for the financial year</b>						
Loss for the financial year	-	-	-	(4,377,900)	(4,377,900)	(4,377,900)
Foreign currency translation	-	-	-	13,656	13,656	13,656
<b>Contributions by owners</b>						
Shares issued during the financial year (Note 21)	174	14,964,778	-	-	14,964,952	14,964,952
Share-based payment (Note 23)	-	-	660,505	-	660,505	660,505
<b>At 31 December 2021</b>	<b>1,617</b>	<b>21,244,814</b>	<b>660,505</b>	<b>(6,800,339)</b>	<b>15,106,597</b>	<b>15,106,597</b>

## Consolidated statement of changes in equity

For the financial year ended 31 December 2020

	Called up share capital	Share premium account	Accumulated losses	Equity attributable to owners of parent Company	Total equity
	€	€	€	€	€
At 1 January 2020	1,443	6,280,036	(3,102,245)	3,179,234	3,179,234
<b>Comprehensive income for the financial year</b>					
Income for the financial year	-	-	664,547	664,547	664,547
Foreign currency translation	-	-	1,603	1,603	1,603
<b>At 31 December 2020</b>	<b>1,443</b>	<b>6,280,036</b>	<b>(2,436,095)</b>	<b>3,845,384</b>	<b>3,845,384</b>

The notes on pages 17 to 38 form part of these financial statements.

## Company statement of changes in equity

For the financial year ended 31 December 2021

	Called up share capital	Share premium account	Share-based reserve	Accumulated losses	Total equity
	€	€	€	€	€
At 1 January 2021	1,443	6,190,036	-	(2,528,682)	3,662,797
<b>Comprehensive loss for the financial year</b>					
Loss for the financial year	-	-	-	(4,946,459)	(4,946,459)
<b>Contributions to owners</b>					
Shares issued during the financial year	174	14,964,778	-	-	14,964,952
Share-based payment (Note 23)	-	-	660,505	-	660,505
<b>At 31 December 2021</b>	<b>1,617</b>	<b>21,154,814</b>	<b>660,505</b>	<b>(7,475,141)</b>	<b>14,341,795</b>

## Company statement of changes in equity

For the financial year ended 31 December 2020

	Called up share capital	Share premium account	Accumulated losses	Total equity
	€	€	€	€
At 1 January 2020	1,443	6,190,036	(3,200,076)	2,991,403
<b>Comprehensive income for the financial year</b>				
Income for the financial year	-	-	671,394	671,394
<b>At 31 December 2020</b>	<b>1,443</b>	<b>6,190,036</b>	<b>(2,528,682)</b>	<b>3,662,797</b>

The notes on pages 17 to 38 form part of these financial statements.

**Ndevor Systems Limited and Subsidiaries**

# Consolidated statement of cash flows

For the financial year ended 31 December 2021

	2021	2020
	€	€
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax for the financial year	(4,286,200)	695,963
<b>Adjustments for:</b>		
Amortisation of intangible assets	1,258,434	30,218
Depreciation of tangible fixed assets	210,736	218,988
(Gain)/loss on disposal of tangible assets	(10,775)	64,568
Share-based expense	660,505	-
Write-off of bank loan	(248,831)	-
Interest expense	45,885	36,216
Taxation charge	91,700	31,416
Decrease in stocks	-	76,404
(Increase)/decrease in debtors	(1,294,720)	1,088,873
(Decrease)/increase in creditors	(282,412)	812,907
Corporation tax paid	(52,418)	(31,416)
<b>Net cash generated from/(used in) operating activities</b>	<u>(3,908,096)</u>	<u>3,024,137</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(9,351,699)	-
Purchase of tangible fixed assets	(246,022)	(245,875)
Sale of tangible fixed assets	30,098	44,955
<b>Net cash used in investing activities</b>	<u>(9,567,623)</u>	<u>(200,920)</u>
<b>Cash flows from financing activities</b>		
Issue of preference shares	14,964,952	-
Loans obtained during the period	-	2,529,401
Repayment of loans	(1,397,954)	(95,527)
Interest paid	(45,885)	(30,000)
<b>Net cash from financing activities</b>	<u>13,521,113</u>	<u>2,403,874</u>
<b>Net increase in cash and cash equivalents</b>	<u>45,394</u>	<u>5,227,091</u>

## Consolidated statement of cash flows (continued)

For the financial year ended 31 December 2021

	2021 €	2020 €
Cash and cash equivalents at beginning of financial year	8,657,651	3,428,957
Effects of forex	13,656	1,603
<b>Cash and cash equivalents at the end of financial year</b>	<u><u>8,716,701</u></u>	<u><u>8,657,651</u></u>
<b>Cash and cash equivalents at the end of financial year comprise:</b>		
Cash at bank and in hand	<u><u>8,716,701</u></u>	<u><u>8,657,651</u></u>

### Non-cash transaction

In 2021, portion of the Group's acquisition of Intangible assets was financed through an application of outstanding receivable amounting to €555,770. This is reflected in the increase in debtors balance in 2021 shown above.

The notes on pages 17 to 38 form part of these financial statements.

## Consolidated analysis of net debt

For the financial year ended 31 December 2021

	At 1 January 2021 €	Cash flows €	Repayment on loans €	Write-off of bank loan €	At 31 December 2021 €
Cash at bank and in hand	8,657,651	59,050	-	-	8,716,701
Debt due within 1 year	(583,925)	-	335,094	248,831	-
Debt due after 1 year	(1,862,860)	-	1,062,860	-	(800,000)
	<u>6,210,866</u>	<u>59,050</u>	<u>1,397,954</u>	<u>248,831</u>	<u>7,916,701</u>

The notes on pages 17 to 38 form part of these financial statements.

# Notes to the financial statements

For the financial year ended 31 December 2021

## **1. General information**

Ndevor Systems Limited (the 'Company') is a company limited by shares and registered in the Republic of Ireland. Its registered office is Anglesea Mills, 9 Anglesea Row, Off Little Britain Street, Dublin 7. The Company is tax resident in the Republic of Ireland.

The principal activities of the Company and its subsidiaries (collectively known as the 'Group') are the development and sale of software for the hair and beauty industry and the provision of online booking systems for the hair and beauty industry.

## **2. Accounting policies**

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

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 304 of the Companies Act 2014 and has not presented its own Statement of comprehensive income in these financial statements.

The financial statements are presented in Euro (€), which is also the Company's functional currency.

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.

A subsidiary is an entity controlled by the Group, i.e. the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities.

The existence and effect of substantive potential voting rights that the Group has the practical ability to exercise are considered when assessing whether the Group controls another entity.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

### **2.3 Going concern**

After reviewing the companies forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

# Notes to the financial statements

For the financial year ended 31 December 2021

## 2. Accounting policies (continued)

### 2.4 Foreign currency translation

#### Functional and presentation currency

The Group's functional and presentational currency is Euros.

#### Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into Euros 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:

The following are the conditions for the recognition of income:

- Setup fees are recognised on completion of installation; and
- Recurring revenues are recognised on a monthly basis.

### 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.

### 2.7 Research and development

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

# Notes to the financial statements

For the financial year ended 31 December 2021

## 2. Accounting policies (continued)

### 2.7 Research and development (continued)

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

### 2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of comprehensive income 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 statement of comprehensive income in the same period as the related expenditure.

### 2.9 Finance costs

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

### 2.10 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 the Consolidated Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

### 2.11 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 reporting date in the countries where the Company and the Group operate and generate income.

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

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

# Notes to the financial statements

For the financial year ended 31 December 2021

## 2. Accounting policies (continued)

### 2.11 Taxation (continued)

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

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

### 2.12 Cumulative redeemable preference shares

Preference shares that are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in creditors due after more than one financial year. The dividends on these preference shares are recognised in the income statement as interest expense.

### 2.13 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. Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

The technical feasibility of completing the software so that it will be available for use or sale.

- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Software development costs - 10 financial years
- Client base - 5 financial years
- US revenue stream acquisition - 4 financial years

All intangible assets are considered to have a finite useful life.

Since 2011, software development costs have not been capitalised. This policy is reviewed on an annual basis.

# Notes to the financial statements

For the financial year ended 31 December 2021

## 2. Accounting policies (continued)

### 2.14 Tangible fixed assets

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

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

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

The estimated useful lives range as follows:

Leasehold improvements	- 5 financial years
Motor vehicles	- 5 financial years
Fixtures, fittings and equipment	- 3 financial years
Purchased Software	- 5 financial 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.

### 2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.16 Financial assets

Financial assets, including investments in subsidiary undertakings are shown at cost less provisions for impairment in value.

Investments intended to be held for the long term are classified as fixed financial assets. Investments not intended to be held for the long term are classified as investments in current assets.

Income from financial assets, together with any related withholding tax, is recognised in the income statement in the financial year in which it is receivable.

### 2.17 Impairment of assets

At each reporting date all fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in Consolidated Statement of comprehensive income.

# Notes to the financial statements

For the financial year ended 31 December 2021

## **2. Accounting policies (continued)**

### **2.17 Impairment of assets (continued)**

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior financial years. A reversal of an impairment loss is recognised immediately in Consolidated Statement of comprehensive income.

### **2.18 Debtors**

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

### **2.19 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

### **2.20 Creditors**

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

### **2.21 Financial instruments**

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

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 statement of comprehensive income.

# Notes to the financial statements

For the financial year ended 31 December 2021

## 2. Accounting policies (continued)

### 2.21 Financial instruments (continued)

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate 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 reporting date.

### 2.22 Share-based payments

The Group operates equity-settled share-based remuneration plans, where share options of the parent company are granted to certain employees. None of the Group's plans are cash-settled.

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share-based reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

## Notes to the financial statements

For the financial year ended 31 December 2021

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

The preparation of the financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of financial statement and the reported amount of income and expenses during the reporting period. Management evaluates its judgments on an ongoing basis. The following judgment and estimates is considered important to the portrayal of the Group and Company's financial condition.

#### Provision for impairment of financial and intangible assets

Determining whether the carrying value of financial and intangible assets have been impaired requires an estimation of the value in use of the financial and intangible assets. The directors are satisfied that the carrying value of the financial and intangible assets are at least equal to their realisable amount and therefore unimpaired.

#### Useful lives of intangible assets

Intangible assets are amortised over their useful lives taking into account, where appropriate, residual values. Assessment of useful lives and residual values are performed annually, taking into account factors such as technological innovation, market information and management considerations. In assessing the residual value of an asset, its remaining life, projected disposal value and future market conditions are taken into account.

#### Useful lives of depreciable assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors annually review those asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, properties economic utilisation and physical condition of the assets concerned.

#### Allowance for doubtful trade receivables and amounts owed by group undertakings

The Group estimates the allowance for doubtful trade receivables and amounts owed by group undertakings based on assessment of specific accounts where the Company has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances.

#### Carrying value of investments in subsidiaries

Determining whether the carrying value of investments has been impaired requires an estimation of the value in use if the investment in subsidiaries and joint venture vehicles. The value in use calculation requires the directors to estimate the future cash flows expected to arrive from these vehicles and a suitable discount rate in order to calculate present value. After reviewing these calculations, the directors are satisfied that a net impairment cost of €Nil (2020: €Nil) should be recognised.

### 4. Turnover

The Group's turnover is in respect of its principal activity of development and sale of software and the provision of online booking systems for the hair and beauty industry. Turnover is generated in Ireland, UK, US, Australia and Germany, the analysis of which is presented below:

	2021	2020
	€	€
Ireland and UK	13,175,096	11,753,610
USA	5,601,857	2,996,551
Germany	1,669,806	1,190,760
Australia	1,033,805	640,117
	<u>21,480,564</u>	<u>16,581,038</u>

## Notes to the financial statements

For the financial year ended 31 December 2021

### 5. Other operating income

	2021	2020
	€	€
Other income	-	636
R&D tax credit	184,121	127,985
Government grants	-	533,915
Wages subsidy	699,942	711,210
Write-off of bank loan	248,831	-
	<u>1,132,894</u>	<u>1,373,746</u>

### 6. Operating (loss)/profit

The operating profit/(loss) is stated after charging/(crediting):

	2021	2020
	€	€
Depreciation of tangible fixed assets	210,736	218,988
Operating lease rentals	332,869	360,449
Amortisation of intangible assets, including goodwill	1,258,434	30,218
Directors' remuneration	223,459	162,328
Auditor's fee	41,000	32,500
Exchange differences	13,981	(160,336)
Directors' pension	25,029	25,000
Defined contribution pension cost	247,706	152,309
	<u>247,706</u>	<u>152,309</u>

## Notes to the financial statements

For the financial year ended 31 December 2021

### 7. Employees

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

	2021 €	2020 €
Wages and salaries	12,695,930	8,932,497
Social insurance costs	1,344,724	860,806
Cost of defined contribution scheme	247,706	152,309
	<u>14,288,360</u>	<u>9,945,612</u>

The average monthly number of employees, including the directors, during the financial year was as follows:

	2021 No.	2020 No.
Administration	40	32
Operations and support	63	43
Development	67	38
Sales	58	55
	<u>228</u>	<u>168</u>

### 8. Directors' remuneration

	2021 €	2020 €
Directors' emoluments	223,459	162,328
Directors' pension	25,029	25,000
	<u>248,488</u>	<u>187,328</u>

#### Key management personnel

All directors who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is as above.

### 9. Pension contributions

The Group operates a defined contribution pension scheme that covers substantially all the employees of the Group. The assets of the scheme are vested in independent trustees for the sole benefit of those employees. The pension charge represents contributions due from the Group and amounted to €247,706 (2020: €152,309). An accrual arose at year-end amounting to €55,247 (2020: €10,329).

## Notes to the financial statements

For the financial year ended 31 December 2021

### 10. Interest payable and similar expenses

	2021 €	2020 €
Bank loan interest payable	<u>45,885</u>	<u>36,216</u>

### 11. Taxation

	2021 €	2020 €
<b>Corporation tax</b>		
Current tax on profit (loss) for the financial year	<u>91,700</u>	<u>31,416</u>
Taxation on profit on ordinary activities	<u>91,700</u>	<u>31,416</u>

#### Factors affecting tax charge for the financial year

The tax assessed for the financial year is higher than (2020: lower than) the profit/(loss) for the financial year multiplied by the standard rate of corporation tax in Ireland of 12.5% (2020 - 12.5%). The differences are explained below:

	2021 €	2020 €
(Loss)/profit on ordinary activities before tax	<u>(4,286,200)</u>	<u>695,963</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2020 - 12.5%)	(535,775)	86,995
<b>Effects of:</b>		
Expenses not deductible for tax purposes	142,847	74,060
Provision tax adjustment	6,777	333
Other deductions	(25,389)	(84,264)
Unrelieved tax losses carried forward	535,789	(76,866)
Permanent differences	(32,549)	31,158
<b>Total tax charge for the financial year</b>	<u>91,700</u>	<u>31,416</u>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

No deferred tax asset has been recognised as future profits are not virtually certain.

## Notes to the financial statements

For the financial year ended 31 December 2021

### 12. Intangible assets

#### Group

	Development expenditure €	US revenue stream acquisition €	Client base €	Total €
<b>Cost</b>				
At 1 January 2021	574,086	-	100,000	674,086
Additions	-	9,907,469	-	9,907,469
At 31 December 2021	<u>574,086</u>	<u>9,907,469</u>	<u>100,000</u>	<u>10,581,555</u>
<b>Amortisation</b>				
At 1 January 2021	574,086	-	40,003	614,089
Charge for the financial year	-	1,238,434	20,000	1,258,434
At 31 December 2021	<u>574,086</u>	<u>1,238,434</u>	<u>60,003</u>	<u>1,872,523</u>
<b>Net book value</b>				
At 31 December 2021	<u>-</u>	<u>8,669,035</u>	<u>39,997</u>	<u>8,709,032</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>59,997</u>	<u>59,997</u>

The US revenue stream acquisition refers to the buy back of the right to the residuals on merchant services transactions processed on the Phorest platform for US clients.

## Notes to the financial statements

For the financial year ended 31 December 2021

### 12. Intangible assets (continued)

#### Company

	Development expenditure €	US revenue stream acquisition €	Client base €	Total €
<b>Cost</b>				
At 1 January 2021	574,086	-	100,000	674,086
Additions	-	9,907,469	-	9,907,469
At 31 December 2021	<u>574,086</u>	<u>9,907,469</u>	<u>100,000</u>	<u>10,581,555</u>
<b>Amortisation</b>				
At 1 January 2021	574,086	-	40,003	614,089
Charge for the financial year	-	1,238,434	20,000	1,258,434
At 31 December 2021	<u>574,086</u>	<u>1,238,434</u>	<u>60,003</u>	<u>1,872,523</u>
<b>Net book value</b>				
At 31 December 2021	<u>-</u>	<u>8,669,035</u>	<u>39,997</u>	<u>8,709,032</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>59,997</u>	<u>59,997</u>

The US revenue stream acquisition refers to the buy back of the right to the residuals on merchant services transactions processed on the Phorest platform for US clients.

## Notes to the financial statements

For the financial year ended 31 December 2021

### 13. Tangible fixed assets

#### Group

	Long-term leasehold property €	Motor vehicles €	Fixtures and fittings €	Computer equipment €	Total €
<b>Cost or valuation</b>					
At 1 January 2021	309,231	31,002	738,969	380,948	1,460,150
Additions	-	-	246,022	-	246,022
Disposals	-	(31,002)	(206,520)	(56,499)	(294,021)
At 31 December 2021	<u>309,231</u>	<u>-</u>	<u>778,471</u>	<u>324,449</u>	<u>1,412,151</u>
<b>Depreciation</b>					
At 1 January 2021	147,984	31,002	529,934	380,948	1,089,868
Charge for the financial year	49,054	-	161,682	-	210,736
Disposals	-	(31,002)	(187,197)	(56,499)	(274,698)
At 31 December 2021	<u>197,038</u>	<u>-</u>	<u>504,419</u>	<u>324,449</u>	<u>1,025,906</u>
<b>Net book value</b>					
At 31 December 2021	<u>112,193</u>	<u>-</u>	<u>274,052</u>	<u>-</u>	<u>386,245</u>
At 31 December 2020	<u>161,247</u>	<u>-</u>	<u>209,035</u>	<u>-</u>	<u>370,282</u>

The net book value of leasehold property may be further analysed as follows:

	2021 €	2020 €
Long leasehold	<u>112,193</u>	<u>161,247</u>

## Notes to the financial statements

For the financial year ended 31 December 2021

### Tangible fixed assets (continued)

#### Company

	Long-term leasehold property €	Motor vehicles €	Fixtures, fittings and equipment €	Computer equipment €	Total €
<b>Cost or valuation</b>					
At 1 January 2021	309,231	31,002	710,628	380,948	1,431,809
Additions	-	-	219,600	-	219,600
Disposals	-	(31,002)	(206,520)	(56,499)	(294,021)
At 31 December 2021	<u>309,231</u>	<u>-</u>	<u>723,708</u>	<u>324,449</u>	<u>1,357,388</u>
<b>Depreciation</b>					
At 1 January 2021	147,984	31,002	519,836	380,948	1,079,770
Charge for the financial year	49,054	-	148,289	-	197,343
Disposals	-	(31,002)	(187,197)	(56,499)	(274,698)
At 31 December 2021	<u>197,038</u>	<u>-</u>	<u>480,928</u>	<u>324,449</u>	<u>1,002,415</u>
<b>Net book value</b>					
At 31 December 2021	<u>112,193</u>	<u>-</u>	<u>242,780</u>	<u>-</u>	<u>354,973</u>
At 31 December 2020	<u>161,247</u>	<u>-</u>	<u>190,792</u>	<u>-</u>	<u>352,039</u>

## Notes to the financial statements

For the financial year ended 31 December 2021

### 14. Financial assets

#### Company

	Investments in subsidiary companies €
<b>Cost or valuation</b>	
At 1 January 2021	35,080
At 31 December 2021	<u>35,080</u>
<b>Net book value</b>	
At 31 December 2021	<u>35,080</u>
At 31 December 2020	<u>35,080</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Myzanadoo Web Bookings Limited	Ordinary	100%
Phorest Inc.	Ordinary	100%
Phorest Software Limited	Ordinary	100%
Phorest PTY Limited	Ordinary	100%
Phorest GmbH	Ordinary	100%

On 4 April 2022, Myzanadoo Web Bookings Limited was struck off in the Register of Companies and was dissolved.

## Notes to the financial statements

For the financial year ended 31 December 2021

### 15. Debtors

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Trade debtors	728,928	116,087	182,879	-
Amounts owed by group undertakings	-	-	2,201,454	767,430
Other debtors	17,446	212,079	17,446	211,696
Prepayments and accrued income	1,063,558	742,816	924,762	612,897
	<u>1,809,932</u>	<u>1,070,982</u>	<u>3,326,541</u>	<u>1,592,023</u>

Trade debtors represent debtors arising from trade and are measured net of allowance for doubtful accounts.

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

Prepayments represents advances for operating expenditures and are expected to be used within the next financial period.

### 16. Cash and cash equivalents

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Cash at bank and in hand	<u>8,716,701</u>	<u>8,657,651</u>	<u>5,658,150</u>	<u>7,232,188</u>

### 17. Creditors: Amounts falling due within one year

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Bank loans (note 20)	-	583,925	-	583,925
Trade creditors	1,047,316	838,128	905,952	774,828
Amounts owed to group undertakings	-	-	166,447	129,360
Corporation tax	39,282	39,270	-	-
Taxation and social insurance	1,107,880	1,839,989	1,036,693	1,746,533
Other creditors	79,803	31,740	55,446	20,351
Accruals	1,195,870	901,686	706,348	599,180
Deferred income	245,162	215,930	141,367	120,894
	<u>3,715,313</u>	<u>4,450,668</u>	<u>3,012,253</u>	<u>3,975,071</u>

## Notes to the financial statements

For the financial year ended 31 December 2021

### Creditors: Amounts falling due within one year (continued)

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
PAYE/NI	402,400	727,840	372,325	681,734
VAT	705,480	1,112,149	664,368	1,064,799
	<u>1,107,880</u>	<u>1,839,989</u>	<u>1,036,693</u>	<u>1,746,533</u>

Trade and other creditors, including accruals, are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

Taxation and social insurance are payable at various dates over the coming months in accordance with applicable statutory provisions. In 2020, the group availed of HMRC's and Revenue tax authority's Covid tax payment deferral schemes for VAT and PAYE/NI. The deferred liabilities were paid in 2021.

Deferred income represents unearned portion of customer's advances.

In 2020, the Group had an outstanding bank loan with Republic Bank amounting to \$281,785. This loan was forgiven in 2021 as the Group had met the criteria of reducing salaries and wages during the covered period in 2020.

### 18. Directors' account

As at 31 December 2020, directors' account amounted €1,590. This was repaid in full during the financial year.

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

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
Bank loans	-	833,459	-	833,459
Other loans	800,000	1,029,401	800,000	800,000
	<u>800,000</u>	<u>1,862,860</u>	<u>800,000</u>	<u>1,633,459</u>

## Notes to the financial statements

For the financial year ended 31 December 2021

### 20. Loans

	Group 2021 €	Group 2020 €	Company 2021 €	Company 2020 €
<b>Amounts falling due within one year</b>				
Bank loans	-	583,925	-	583,925
<b>Amounts falling due 1-2 years</b>				
Bank loans	-	833,459	-	833,459
Other loans	800,000	1,029,401	800,000	800,000
	<u>800,000</u>	<u>1,862,860</u>	<u>800,000</u>	<u>1,633,459</u>
	<u>800,000</u>	<u>2,446,785</u>	<u>800,000</u>	<u>2,217,384</u>

In 2020, the Company obtained a loan from Enterprise Ireland as part of its Sustaining Enterprise Funding Scheme (SE Funding) amounting to €800,000, classified as Other Loans. Portion of this SE Funding pertains to a repayable advance amounting to €600,000 repayable in equal monthly installments including 4% of administration fee from January 2024 to December 2025. The remaining portion of €200,000 pertains to a deferred grant, subject to certain clauses in the agreement. The Company will recognise the grant as income when they comply to all the clauses in the agreement.

Bank loans represent €1,500,000 loan from the Bank of Ireland bearing interest at 4%, due in monthly payments up to May 2023. Bank loans were fully repaid during the financial year.

### 21. Share capital

	2021 €	2020 €
<b>Authorised</b>		
100,000 (2020 - Nil) Series C Preference shares of €0.01 each	1,000	-
4,000,000 "A" Ordinary shares of €0.01 each	40,000	40,000
6,000,000 "B" Ordinary shares of €0.01 each	60,000	60,000
4,000,000 "C" Ordinary shares of €0.01 each	40,000	40,000
	<u>141,000</u>	<u>140,000</u>
<b>Allotted, called up and fully paid</b>		
16,038 Series B Preference shares of €0.01 each	160	160
17,372 Series C Preference shares of €0.01 each	174	-
126,802 "A" Ordinary shares of €0.01 each	1,268	1,268
1,530 (2020 - 1,500) "C" Ordinary shares of €0.01 each	15	15
	<u>1,617</u>	<u>1,443</u>

## Notes to the financial statements

For the financial year ended 31 December 2021

### **21. Share capital (continued)**

On the 6th June 2018, the Company repurchased all of the 9500 8% cumulative redeemable preference shares that were in issue at par. On the 6th June 2018, the Company issued 16,038 Series B preference shares at a value of €311.76, with nominal value being €0.01 per share.

On the 24th March 2021, the Company issued 17,372 Series C preference shares at a value of €863.46 with nominal value being €0.01 per share.

All shares rank pari passu except as set out below:

The holders of A, B and C ordinary shares and Series B and C preference shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company and, on a poll, the holders of the A ordinary shares, B ordinary shares and Series B and C preference shares shall be entitled to one hundred votes per share (on an As-Converted Basis) and the holders of the C ordinary shares shall be entitled to ten votes per 100 shares.

On a liquidation basis, the distribution of proceeds shall be made to the shareholders in the following order of priority:

- firstly in repayment of all paid up capital payable in respect of the Series B and C preference shares,
- secondly in repayment of all paid up capital of the A, B and C Ordinary shares.

The holders of A ordinary shares and Series B and C preference shares shall be entitled to the same dividend per share. No dividend shall be declared on any class of share unless an equal dividend per Series B and C preference shares is declared.

### **22. Reserves**

#### **Called up share capital**

The called up share capital represents the nominal value of shares that have been issued.

#### **Share premium account**

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

#### **Profit and loss account**

Includes all current and prior period retained profits and losses.

#### **Share-based reserves**

Includes the cost of share based payment options which have vested as at year-end.

## Notes to the financial statements

For the financial year ended 31 December 2021

### 23. Share-based payments

The Group established an equity-settled share-based remuneration plans for certain employees. The options are exercisable at a pre-determined strike price and have a vesting period of 4 years. The exercise price of the option is set at the time of grant against the market value of the underlying shares.

The Group recognised total expenses of €660,505 (2020: €nil) related to equity-settled share-based payment transactions during the year.

During the year, 2,412 (2020- 5,315) shares were granted, 327 (2020 - nil) shares were forfeited and 2,053 (2020 - nil) shares were vested.

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Since shares of the Group are not freely tradeable useful volatility information is not available. The Group has therefore used historic share price volatilities of a number of comparable listed companies.

Expected volatility was determined by calculating the historical volatility of the Group's share price. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

### 24. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 €	Group 2020 €
Not later than 1 year	236,005	227,560
Later than 1 year and not later than 5 years	896,965	910,240
Later than 5 years	-	112,845
	<u>1,132,970</u>	<u>1,250,645</u>

### 25. Related party transactions

The Company has availed of the exemptions in FRS102 Section 33, Paragraph 33.1 A which allows non-disclosure of transactions between two or more members of a group, provided that any subsidiary which is party to the transactions is wholly owned by such a member.

### 26. Bank security

In 2020, Bank of Ireland holds a letter of guarantee from Ronan Perceval representing an assignment of a life policy of Ronan Perceval amounting to €1,500,000. This remained in force until 2021 wherein the loan from Bank of Ireland was repaid in full.

## Notes to the financial statements

For the financial year ended 31 December 2021

### 27. Other financial commitments

The Company's local currency is Euro. The Company has sales which are denominated in pounds Sterling. As a result, the Company is subject to foreign currency exchange risk due to exchange rate movements between Euro and pounds Sterling. The Company seeks to reduce this risk by entering into forward contracts. At 31 December 2021, the Company has entered into the following forward contracts:

£750,000 expiring 31 March 2022  
 £750,000 expiring 30 June 2022  
 £750,000 expiring 30 September 2022  
 £750,000 expiring 31 December 2022

### 28. Financial instruments

	Group 2021 €	Group 2020 €
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>9,463,075</u>	<u>8,985,817</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>2,922,989</u>	<u>1,771,554</u>

The fair value of unquoted investments is determined using an earnings multiple valuation model. Key assumptions used in the model include the price earnings multiple used. This is determined by reference to the price earnings multiple of similar quoted companies.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of deferred grant element on other loans, trade creditors, amounts owed group undertakings, amounts owed to other participating interests, other creditors and accruals.

### 29. Post balance sheet events

In March 2022, the company raised \$12,000,000 debt funding. There have been no other significant events affecting the Group since the period end and the directors do not envisage any substantial changes to the nature of the business in the foreseeable future.

### 30. Approval of financial statements

The board of directors approved these financial statements for issue on 22 July 2022