

Company Registration No. 10174754 (England and Wales)

MAILMANAGER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



MAILMANAGER LIMITED

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MAILMANAGER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

Principal activities

The principal activity of the company continued to be that of the development and sale of email management software.

Directors

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

P A Coughlan
R P Boardman

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

In accordance with s414B of the Companies Act 2006, the Company has taken the exemption from the requirement to present a strategic report.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

MAILMANAGER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

On behalf of the board



R P Boardman
Director

15 September 2021

MAILMANAGER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAILMANAGER LIMITED

Opinion

We have audited the financial statements of MailManager Limited (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

MAILMANAGER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MAILMANAGER LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MAILMANAGER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MAILMANAGER LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk 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.

MAILMANAGER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MAILMANAGER LIMITED

Use of our report

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

Azet Audit Services

Adam East ACA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

16 September 2021

Chartered Accountants
Statutory Auditor

Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Buckinghamshire
United Kingdom
HP6 6FA

MAILMANAGER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Turnover	2,879,869	2,198,016
Administrative expenses	(3,957,202)	(3,005,845)
Other operating income	202,331	118,390
Operating loss	<u>(875,002)</u>	<u>(689,439)</u>
Interest payable and similar expenses	(46,135)	(36,057)
Loss before taxation	<u>(921,137)</u>	<u>(725,496)</u>
Tax on loss	-	-
Loss for the financial year	<u><u>(921,137)</u></u>	<u><u>(725,496)</u></u>

MAILMANAGER LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	4		2,078,596		1,993,297
Tangible assets	5		8,285		1,767
			<u>2,086,881</u>		<u>1,995,064</u>
Current assets					
Debtors	6	676,961		400,851	
Cash at bank and in hand		1,491		20,558	
		<u>678,452</u>		<u>421,409</u>	
Creditors: amounts falling due within one year	7	<u>(4,597,441)</u>		<u>(3,197,612)</u>	
Net current liabilities			<u>(3,918,989)</u>		<u>(2,776,203)</u>
Total assets less current liabilities			<u>(1,832,108)</u>		<u>(781,139)</u>
Creditors: amounts falling due after more than one year	8		-		(129,832)
Net liabilities			<u>(1,832,108)</u>		<u>(910,971)</u>
Capital and reserves					
Called up share capital			1,500		1,500
Share premium account			4,700		4,700
Profit and loss reserves			<u>(1,838,308)</u>		<u>(917,171)</u>
Total equity			<u>(1,832,108)</u>		<u>(910,971)</u>

Pursuant with Section 381 of the Companies Act 2006, these financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 15 September 2021 and are signed on its behalf by:



R P Boardman
Director

Company Registration No. 10174754

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

MailManager Limited is a private company limited by shares incorporated in England and Wales. The registered office is 8 Fitzroy Street, London, W1T 4BJ, United Kingdom.

The trading address of the company is 78 Whitfield Street, Fitzrovia, London, W1T 4EZ, United Kingdom.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future. The directors have obtained assurance of financial support from Ove Arup Ventures Limited, for a period of at least 12 months from the date of approval of these financial statements. As such, the use of the going concern basis of accounting is considered appropriate.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Licence Fees

Turnover from licence fees is recognised at the point of sale.

Maintenance and subscription fees

Turnover from maintenance and subscription fees are recognised by reference to the period the maintenance or subscription relates to.

1.4 Research and development expenditure

Research expenditure is expensed as incurred. Development expenditure will be recognised as an intangible asset when the company can demonstrate:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) its intention to complete and its ability to use or sell the asset;
- c) how the asset will generate future economic benefits;
- d) the availability of resources to complete the asset; and
- e) the ability to measure reliably the expenditure during development.

Following the initial recognition of development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is charged to profit or loss on a straight-line basis over ten years, being the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Where factors become apparent during the reporting period that give rise to a change in the residual value or useful life of the intangible asset, the directors shall review previous estimates made and if current expectations differ, will amend the residual value, amortisation method or useful life accordingly.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Intellectual property	Over ten years on a straight line basis, commencing in year two
Customer lists	Over ten years on a straight line basis

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

At each reporting date, tangible 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 the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying 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 years. A reversal of impairment is recognised immediately in profit or loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	Over 4 years on a straight line basis
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1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred tax taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company offers employees who were employed by Arup prior to the formation of the company membership of the Arup Group pension scheme, which is a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Other employees are enrolled in the work place pension scheme. The amount charged to profit or loss represents the contributions payable to the schemes in respect of the accounting period.

1.14 Share-based payments

Cash-settled share-based compensation benefits are provided to senior employees via the Company's Long Term Incentive Plan ('LTIP'). Further details on this scheme can be found in the note entitled *Share-based payment transactions*.

The fair value of the issued LTIP awards are recognised as an employee benefit expense within administrative expenses, with a corresponding increase in liabilities. The total expense is recognised over the deemed vesting period. At each balance sheet date the Company reassesses its valuation of the Company and the resulting fair value of the liability. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to liability.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Directors there are three significant estimates, being the capitalisation of development costs, the amortisation of intangible assets and the valuation of a Long-Term Incentive Plan ('LTIP') in place.

The Directors consider developments costs should be capitalised as:

- (a) It is probable that any future economic benefit associated with the item will flow to or from the entity, and
- (b) The item has a cost or value that can be measured reliably.

The subsequent measurement has been considered by the Directors as being over 10 years, reflecting an approximation of future revenues after which point the company will no longer benefit from.

Details of the Directors approach to estimating the fair value of the LTIP can be found in the note entitled *Share-based payment transactions*.

3 Employees

The average monthly number of persons employed by the company during the year was:

	2021 Number	2020 Number
Total	47	37

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Intangible fixed assets

	Other intangible assets £
Cost	
At 1 April 2020	2,519,149
Additions	340,243
	<hr/>
At 31 March 2021	2,859,392
	<hr/>
Amortisation and impairment	
At 1 April 2020	525,852
Amortisation charged for the year	254,944
	<hr/>
At 31 March 2021	780,796
	<hr/>
Carrying amount	
At 31 March 2021	2,078,596
	<hr/> <hr/>
At 31 March 2020	1,993,297
	<hr/> <hr/>

5 Tangible fixed assets

	Computer equipment £
Cost	
At 1 April 2020	6,906
Additions	8,761
	<hr/>
At 31 March 2021	15,667
	<hr/>
Depreciation and impairment	
At 1 April 2020	5,139
Depreciation charged in the year	2,243
	<hr/>
At 31 March 2021	7,382
	<hr/>
Carrying amount	
At 31 March 2021	8,285
	<hr/> <hr/>
At 31 March 2020	1,767
	<hr/> <hr/>

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	519,449	282,890
Other debtors	2,300	4,500
Prepayments and accrued income	155,212	113,461
	<u>676,961</u>	<u>400,851</u>

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	70,387	248,645
Amounts owed to group undertakings	1,833,147	1,354,718
Taxation and social security	185,862	102,678
Other creditors	356,218	38,715
Accruals and deferred income	2,151,827	1,452,856
	<u>4,597,441</u>	<u>3,197,612</u>

Included within Other creditors are amounts owing in respect of the LTIP totalling £309,959 (2020: £Nil).

8 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other creditors	-	129,832
	<u>-</u>	<u>129,832</u>

9 Share-based payment transactions

Long-term incentive plan ('LTIP')

The Company established a LTIP in 2016. The LTIP is designed to provide long-term incentives for senior employees to grow the business. Under the plan, participants are eligible for a cash-based settlement dependent upon the value of Company in the event of a company sale. No equity is awarded to the individual and there are no performance or vesting periods attached to the LTIP.

The directors have undertaken their own calculations for the Company to fair value the liability at the balance sheet date. The directors used a Monte Carlo simulation to take into consideration the range of possible sale values and the individuals varying award percentages. They used the following methodology:

- Company value projected to the expected sale date;
- The amount awarded is calculated by applying each award holder's percentage of the sale price to the simulated sale price;
- The above was then discounted to each respective valuation date to determine the award payoff; and
- This payoff was simulated 10,000 times and averaged to obtain the fair value.

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Share-based payment transactions

(Continued)

Liabilities and expenses

The directors also performed a summary business valuation of the Company, adopting a multiple of annual recurring revenue approach. The resulting liability at the balance sheet date was:

	31 March 2021	31 March 2020
Fair value of LTIP	309,959	129,832

The total expense recognised for the year arising from the LTIP was as follows:

	31 March 2021	31 March 2020
Cash-settled expense	180,127	35,722

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021	2020
	£	£
	87,441	235,326

11 Related party transactions

At the year end amounts owing to Arup Treasury Limited, a member of the Arup Group, totalled £1,833,147 (2020: £1,354,718), which includes cumulative interest owing by the company of £59,642 (2020: £37,455). Interest accruing on amounts outstanding during the year totalled £22,187 (2020: £21,408). Terms attached to the loan are at an interest rate of between 1.1% to 30 June 2020 and 1.3% thereafter. The loan is repayable on demand.

During the year the company entered into transactions with Ove Arup & Partners International Limited (OAPIL), a member of the Arup Group. Sales made to OAPIL totalled £449,140 (2020: £518,418) and purchases from OAPIL totalled £24,564 (2020: £18,238).

During the year, OAPIL subsidised the rent paid by MailManager Limited. The total amount invoiced was £158,074 (2020: £Nil).

At the year end the amounts owing to OAPIL within trade creditors was £Nil (2020: £21,886).

During the year the company entered into transactions with Ove Arup & Partners Limited (OAPL), a member of the Arup Group. Sales made to OAPL totalled £Nil (2020: £Nil) and purchases from OAPL totalled £37,154 (2020: £46,420).

During the year, OAPL did not subsidise the rent paid by MailManager Limited. The total amount invoiced in the comparative year was £118,390.

OAPL also did not charge the company desk space rental during the year. Amounts charged in the comparative year totalled £6,750.

At the year end the amounts owing to OAPL within trade creditors was £Nil (2020: £19,123).

MAILMANAGER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Parent company

The company's intermediate parent undertaking is Ove Arup Ventures Limited, a company incorporated in England and Wales. The company's registered office is 8 Fitzroy Street, London, W1T 4BJ, United Kingdom.

The company's ultimate parent undertaking and the smallest group who prepares consolidated accounts which includes the position and performance of the company is that of Arup Group Limited, a company in incorporated in England and Wales. The company's registered office is 8 Fitzroy Street, London, W1T 4BJ, United Kingdom.

MAILMANAGER LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Turnover		
Sales of services	2,879,869	2,198,016
Other operating income		
Coronavirus job retention scheme grant	4,961	-
Sundry income	197,370	118,390
	<u>202,331</u>	<u>118,390</u>
Administrative expenses		
Wages and salaries	2,598,177	1,812,216
Social security costs	263,943	223,236
Subcontract labour	-	3,000
Staff recruitment costs	112,586	114,017
Staff welfare	3,827	4,555
Staff training	31,602	18,614
Staff pension costs defined contribution	59,698	53,238
Redundancy costs - staff	-	6,145
Rent re operating leases	140,301	102,252
Computer running costs	57,520	30,388
Travelling expenses	5,778	74,983
Professional subscriptions	46,248	33,200
Legal and professional fees	58,670	4,843
Consultancy fees	285	33,508
Accountancy	10,553	6,240
Audit fees	6,500	6,100
Charitable donations	200	1
Bad and doubtful debts	7,406	(14,497)
Advertising	127,067	121,855
Telecommunications	6,940	3,477
Other office supplies	119,459	141,304
Entertaining	3,774	7,206
Sundry expenses	4,050	38
Amortisation	254,943	197,628
Depreciation	2,243	1,119
Profit or loss on foreign exchange	35,432	21,179
	<u>(3,957,202)</u>	<u>(3,005,845)</u>
Operating loss	<u>(875,002)</u>	<u>(689,439)</u>

MAILMANAGER LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

	£	2021 £	£	2020 £
Interest payable and similar expenses				
Bank interest on loans and overdrafts	-		708	
Bank charges	23,948		13,673	
Interest payable - not financial liabilities	22,187		21,408	
Interest on overdue taxation - not financial liabilities	-		268	
		<u>(46,135)</u>		<u>(36,057)</u>
Loss before taxation	31.99%	<u>(921,137)</u>	33.01%	<u>(725,496)</u>
