

Company Registration No. 06322945 (England and Wales)

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



# ALEMBA LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S J Nugent L Scott-Mackay
<b>Secretary</b>	S J Nugent
<b>Company number</b>	06322945
<b>Registered office</b>	International House 12 Constance Street London E16 2DQ
<b>Auditor</b>	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ

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# **ALEMBA LIMITED**

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# ALEMBA LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present the strategic report for the year ended 31 March 2021.

### **Development and performance of the company's business during the financial year**

Alemba's strategy continues to focus on the transition to a subscription business model. Alemba's ESM platform – branded Alemba Service Manager – is now mature and embedded in many customers with the majority of the rest on schedule to transition. The product roadmap continues to be actively developed with the Azure platform (and the Microsoft relationship more generally) becoming increasingly strategic.

This financial year saw earlier cost reduction measures yield significant results with a swing back into high profitability and an increase in EBITDA. Further cost rationalisation is planned in the area of cloud infrastructure and as revenues are expected to grow, we expect to see further profit in the coming financial year.

### **Position of the company at year end**

During the year, the company has continued to invest in all aspects of the business to ensure future growth, and is well placed to capitalise on underlying trends in our market, including digital transformation, automation and lowcode development adoption.

### **Principal risks and uncertainties**

In common with previous years, our core market remains highly competitive with a few large vendors continuing to dominate the sector. Whilst global economic factors continue to look relatively stable, suggesting market demand will continue at its current levels or expand further, these vendors have considerable resources to disrupt the market via technical developments and/or to commercially target our existing customer base.

### **Research and Development**

The company is at the forefront of software development and invests significant money into research and development as evidenced by the re-platforming project and the continuous stream of new features being added to the product.

### **Future Developments**

The strategic plan for the company is expected to take a large part of the next reporting period. The directors have a strong focus on both a profit and growth trajectory. Product development continues to be a major factor in the acquisition of new customers and the company is very well placed for this. In addition, an increased focus on partnership opportunities is expected to further drive market penetration and revenue.

### **Key performance indicators**

The business monitors itself against a number of performance indicators, including customer satisfaction, number of customers and users and customer renewals. Customer renewals in the current year were close to 100%.

Non-financial key performance indicators are not produced as, given the nature of the business, the company's directors are of the opinion that analysis using non-financial key performance indicators is not necessary for an understanding of the development, performance or position of the entity.

On behalf of the board



.....  
S J Nugent  
Director

Date: 01/12/2021 .....

# **ALEMBA LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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

#### **Principal activities**

The principal activity of the company continued to be that of the provision of information technology.

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

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

S J Nugent  
L Scott-Mackay

#### **Changes in presentation of the financial statements**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the business review and details of the principal risks and uncertainties.

#### **Auditor**

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

On 7 September 2020 Group Audit Services Limited, trading as Wilkins Kennedy Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

#### **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.

# ALEMBA LIMITED

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

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### 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.

On behalf of the board



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S J Nugent  
Director

Date: 01/12/2021 .....

# ALEMBA LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALEMBA LIMITED

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### Opinion

We have audited the financial statements of Alemba Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

### Material uncertainty related to going concern

Whilst the company has net assets, we draw attention to note 1.2 in the financial statements, which indicates that the group was reliant on the continued support of its creditors. As stated in note 1.2, these events or conditions, along with other matters set out in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the group and consequently the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

# **ALEMBA LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALEMBA LIMITED**

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

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

### **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.

# ALEMBA LIMITED

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

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### **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.

### **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.

**Robert Southey (Senior Statutory Auditor)**  
For and on behalf of Azets Audit Services

**Chartered Accountants**  
**Statutory Auditor**

*Azets Audit Services*

Date: 15/12/2021  
Date: .....

Ashcombe Court  
Woolsack Way  
Godalming  
Surrey  
United Kingdom  
GU7 1LQ

# ALEMBA LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	3,952,630	4,844,871
Cost of sales		(989,844)	(424,376)
<b>Gross profit</b>		<u>2,962,786</u>	<u>4,420,495</u>
Distribution costs		4,337	(103,665)
Administrative expenses		(2,543,286)	(5,206,501)
Other operating income		681,894	588,420
<b>Operating profit/(loss)</b>	<b>4</b>	<u>1,105,731</u>	<u>(301,251)</u>
Interest receivable and similar income	<b>7</b>	112	1,159
<b>Profit/(loss) before taxation</b>		<u>1,105,843</u>	<u>(300,092)</u>
Tax on profit/(loss)	<b>8</b>	-	143,696
<b>Profit/(loss) for the financial year</b>		<u><u>1,105,843</u></u>	<u><u>(156,396)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# ALEMBA LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		23,640		34,707
<b>Current assets</b>					
Debtors	10	6,720,122		6,696,854	
Cash at bank and in hand		377,594		86,780	
		<u>7,097,716</u>		<u>6,783,634</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,169,524)</u>		<u>(2,972,352)</u>	
<b>Net current assets</b>			<u>4,928,192</u>		<u>3,811,282</u>
<b>Net assets</b>			<u>4,951,832</u>		<u>3,845,989</u>
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Other reserves		4,429,031		4,429,031	
Profit and loss reserves		522,701		(583,142)	
<b>Total equity</b>			<u>4,951,832</u>		<u>3,845,989</u>

The financial statements were approved by the board of directors and authorised for issue on 1/12/2021 and are signed on its behalf by:



S J Nugent  
Director

Company Registration No. 06322945

# ALEMBA LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

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	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 April 2019</b>	100	4,429,031	(426,746)	4,002,385
<b>Year ended 31 March 2020:</b>				
Loss and total comprehensive income for the year	-	-	(156,396)	(156,396)
<b>Balance at 31 March 2020</b>	100	4,429,031	(583,142)	3,845,989
<b>Year ended 31 March 2021:</b>				
Profit and total comprehensive income for the year	-	-	1,105,843	1,105,843
<b>Balance at 31 March 2021</b>	100	4,429,031	522,701	4,951,832

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# **ALEMBA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Company information**

Alemba Limited is a private company limited by shares incorporated in England and Wales. The registered office is International House, 12 Constance Street, London, United Kingdom, E16 2DQ.

#### **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.

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 £.

Alemba Limited is a wholly owned subsidiary of Alemba Topco Limited and the results of Alemba Limited are included in the consolidated financial statements of Alemba Topco Limited which are available from Limes House Warehouse Rear of 1-2 Limes Place, Preston Street, Faversham, ME13 8PQ.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies (Continued)

#### 1.2 Going concern

These financial statements are prepared on the going concern basis. Given the funding in place and the anticipated return to profitability following the recently completed restructuring programme, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

Whilst the company has net assets as at 31 March 2021, the group incurred a net loss in the period and financial statements show a net liabilities position. The Directors expect that the group will continue its operations for the foreseeable future, although this is dependent on the current loan funding remaining available and the group returning to profitability in the near future. The Board have reviewed the funding available to the group, principally a loan of \$8,000,000 and related accrued interest of \$3,126,575. The group has a strong partnership with the funder, who remains supportive of the group's plans. At the date of the financial statements being signed the lender continues to provide funding to the group, although a new agreement has not yet been confirmed. As a consequence of the material uncertainty relating to the group financial statements, there is also a material uncertainty relating to the company.

Financial projections have been prepared reflecting the anticipated future revenue streams and the reduced cost base, as a result of measures undertaken by the Board, and these indicate that the group will return to profitability in the near future. The board anticipates that the business will generate sufficient cash to support its day to day operations.

In addition to the above, the accounts are approved during a period when there is much uncertainty as a result of the emergence and international spread of Covid-19. The company's response has been to implement its contingency planning arrangements for such circumstances. The ultimate impact on the company's trade, customers, suppliers and the wider economy is yet to be seen. The Board continues to monitor the situation as it develops.

#### 1.3 Turnover

Turnover represents the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Long term contracts are typically billed annually in advance and income is accrued evenly over the length of the contract.

#### 1.4 Tangible fixed assets

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

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

Fixtures and fittings	25%
Computer equipment	25%
Other fixed assets	25%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies (Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

#### 1.6 Cash at bank and in hand

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.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

##### **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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***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.

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.

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial liabilities***

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

### 1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

### 1.9 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.

### 1.10 Defined contribution plan

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Payments to defined contribution benefit schemes are charged as an expense as they fall due.

### 1.11 Operating lease agreements

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.

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies (Continued)

#### 1.12 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

##### *Impairment of assets*

Determining whether there are indicators of impairment of the company's tangible assets is considered a significant judgement. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

##### Key sources of estimation uncertainty

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

##### *Bad debts*

An exact bad debt provision is included based on debts considered by the directors to be irrecoverable post year end. There is therefore no uncertainty over the amount of bad debt incurred at the time of approving the accounts.

##### *Tangible assets*

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, or the length of the lease for the property to which they relate, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest income	112	1,159
Management charges receivable	681,894	588,420
	<u>          </u>	<u>          </u>

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 3 Turnover and other revenue (Continued)

	2021	2020
	£	£
<b>Turnover analysed by geographical market</b>		
UK	1,554,635	2,684,114
Europe	389,989	762,053
Rest of world	2,008,006	1,398,704
	<u>3,952,630</u>	<u>4,844,871</u>

### 4 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	72,772	(5,885)
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	8,300
Depreciation of owned tangible fixed assets	15,498	22,469
Loss on disposal of tangible fixed assets	231	-
	<u>108,501</u>	<u>24,884</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2021	2020
Number	Number
24	49
<u>24</u>	<u>49</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,745,730	3,691,426
Social security costs	211,401	397,085
Pension costs	41,054	68,606
	<u>1,998,185</u>	<u>4,157,117</u>

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	339,025	495,713
Company pension contributions to defined contribution schemes	7,861	7,861
Sums paid to third parties for directors' services	204,217	-
	<u>551,103</u>	<u>503,574</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	339,025	312,121
Company pension contributions to defined contribution schemes	7,861	7,861
	<u>346,886</u>	<u>320,982</u>

### 7 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	112	1,159
	<u>112</u>	<u>1,159</u>

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	(41,520)
Adjustments in respect of prior periods	-	(102,176)
	<u>-</u>	<u>(143,696)</u>
Total current tax	<u>-</u>	<u>(143,696)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit/(loss) before taxation	1,105,843	(300,092)
	<u>1,105,843</u>	<u>(300,092)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	210,110	(57,017)
Tax effect of expenses that are not deductible in determining taxable profit	4,215	128,736
Tax effect of utilisation of tax losses not previously recognised	(158,445)	-
Unutilised tax losses carried forward	-	54,625
Adjustments in respect of prior years	-	(102,176)
Permanent capital allowances in excess of depreciation	1,973	792
Research and development tax credit	(57,853)	(114,031)
Losses surrendered	-	(54,625)
	<u>-</u>	<u>(143,696)</u>
Taxation charge/(credit) for the year	<u>-</u>	<u>(143,696)</u>

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 9 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
<b>Cost</b>				
At 1 April 2020	3,397	93,589	10,853	107,839
Additions	-	4,662	-	4,662
Disposals	(2,281)	(39,865)	-	(42,146)
At 31 March 2021	1,116	58,386	10,853	70,355
<b>Depreciation and impairment</b>				
At 1 April 2020	2,543	66,608	3,981	73,132
Depreciation charged in the year	854	11,953	2,691	15,498
Eliminated in respect of disposals	(2,281)	(39,634)	-	(41,915)
At 31 March 2021	1,116	38,927	6,672	46,715
<b>Carrying amount</b>				
At 31 March 2021	-	19,459	4,181	23,640
At 31 March 2020	854	26,981	6,872	34,707

### 10 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	735,001	627,321
Corporation tax recoverable	146,122	325,101
Amounts owed by group undertakings	5,786,429	5,725,097
Other debtors	23,279	267
Prepayments and accrued income	29,291	19,068
	6,720,122	6,696,854

### 11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	16,997	5,102
Amounts owed to group undertakings	56,322	56,322
Taxation and social security	171,884	118,739
Other creditors	32,517	71,931
Accruals and deferred income	1,891,804	2,720,258
	2,169,524	2,972,352

# ALEMBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 12 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The ordinary shares are all classed as equity shares and rank pari passu in relation to dividends, voting rights and proceeds in the event of a sale of whole or part of the business.

### 13 Related party transactions

The company has taken advantage of the the exemption under FRS102 not to disclose related party transactions with wholly owned group companies within the Alemba Topco Group.

### 14 Ultimate controlling party

The company's ultimate parent company is Alemba Topco Limited, a company incorporated in England and Wales. There is no ultimate controlling party of Alemba Topco Limited.

Copies of the group financial statements for Alemba Topco Limited are available at Companies House.