

INTY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2021

INTY LIMITED

COMPANY INFORMATION

Directors	M Dean S Jones (appointed 8 January 2021) G Lyons (resigned 8 January 2021)
Company secretary	M Dean
Registered number	03438922
Registered office	170 Aztec West Bristol BS32 4TN
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor First Floor One Valpy 20 Valpy Street Reading RG1 1AR

INTY LIMITED

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INTY LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 30 JUNE 2021

Introduction

intY Limited is a global organization providing Cloud based applications and Software as a Service solution from a single marketplace, CASCADE. The services are delivered to customers largely through 'the channel' to commercial organizations of varying sizes by channel partners across Europe, with CASCADE providing a single 'one stop shop' for the order, provision and billing. With strong expertise in the activation and support of cloud applications, intY Limited continues to offer value add to channel partners by offering 3rd party support as a service.

intY Limited was founded in 1997 and has been involved in delivering IT applications on a subscription basis via channel partners for many years and boasts success as a Microsoft Syndication and CSP Partner, Symantec European Channel Distributor along with many other partnerships with other leading Cloud service providers.

Business review

The company-generated revenue for the 12 months ended 30 June 2021 of £40,912,000 (18 months ended 30 June 2020: £44,129,000) and a loss after taxation for the 12 months ended 30 June 2021 of £433,000 (loss after taxation for the 18 months ended 30 June 2020: £461,000). The increase in loss, when pro rating the prior period to 12 months, is predominantly due to investment in staff and the CASCADE platform. The Statement of Comprehensive Income is set out on page 13.

Principal risks and uncertainties

In common with all businesses, the Company could be affected by risks and uncertainties that may have a material adverse effect on its business operations and achieving its strategic objectives including its business model, future performance, solvency, liquidity and/or reputation. These risks could cause actual results to differ materially from forecasts or historic results. Accepting that risk is an inherent part of doing business, the Company is mindful of the interdependencies of some risks.

Where possible, the Company seeks to mitigate risks through its internal controls and insurance, but this can only provide reasonable assurance and not absolute assurance against material losses.

The following are the principal risks and uncertainties, potential impacts and mitigations that are relevant to the Company as a provider of software products and associated services at this time. They do not comprise all of the risks associated with the Company and are not set out in priority order. Additional risks not presently known to management, or currently deemed to be less material, may also have an adverse effect on the Company.

The Company believes that the risks and uncertainties described below are the ones that may have the most significant impact on the future operations of the Company.

Go-To-Market ("GTM") models

For the Company to succeed in meeting revenue and growth targets, it requires successful GTM models across the full Product Portfolio, with effective strategies and plans to exploit all routes to market, including direct and channel/partner led sales. In addition, the Company must focus the sales force on targeted customer segments and ensure appropriate responses to the market dynamics related to changes in customer buying behaviours. Effective GTM models may be more successful if accompanied by compelling brand awareness programmes. The Company is dependent upon the effectiveness of its sales force and distribution channels to drive sales.

Poor design and/or execution of GTM plans may limit the success of the Company by targeting the wrong customers through the wrong channels and positioning the wrong product or solution offerings, reducing the value that customers receive from the Company.

There are continual reviews of the GTM function to improve overall productivity and predictability of performance. There has been good progress in the development of the Group's customer and partner propositions in the period.

The Company has great depth of capability and experience to help its customers address some of the most complex challenges they face and to best enable the Company's customers and exploit this breadth and depth, it

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STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021

is aligning resources and developing compelling propositions across our product offerings.

Sales execution has received considerable attention and improvement measures have focused on improving consistency and improving the organisational structure to support more effective and efficient decision making, greater accountability and a holistic approach to customer success. Further measures are being put in place to improve predictability. Organisational changes have also been made to align marketing and the sales team.

Brand reputation

Our brand has significant commercial value. Erosion of the brand, through either a single event, or series of events, may adversely impact our strong position with customers and ultimately affect our future revenue and profitability.

The management team regularly monitors customer satisfaction through Customer Surveys and contact.

Competition

Failure to understand the competitive landscape adequately and thereby identify where competitive threats exist may damage the successful sales of the Company's products. If the Company is not able to compete effectively against its competitors, it is likely to lose customers and suffer a decrease in sales, which may result in lost market share and weaker financial performance.

The market in which the company operates is highly competitive. We face direct competition from other indirect service providers. Some competitors have cost structures that are lower than ours or have other competitive advantages such as size.

Our quality of staff, strong reputation, brand awareness, CASCADE platform and market positioning continue to address this risk.

Customer surveys and customer consultation are used to validate product direction – both standalone and in the context of competitors. intY Limited continues to monitor and review intelligence on market threats to focus on offering best in class service to customers. Marketing and product teams monitor a variety of metrics to analyse customer satisfaction relative to industry benchmarks. The Company works closely with its vendors, such as Microsoft, to ensure strong relationships and best practice and that we focus on key requirements.

Employees

The retention and recruitment of highly skilled and motivated employees, at all levels of the Company, is critical to the success and future growth of the Company. Employees require clear business objectives, and well communicated vision and values, for the Company to achieve alignment and a common sense of corporate purpose among the workforce.

Failure to retain and develop skill sets, particularly in sales and research and development, may hinder the Company's sales and development plans. Weak organisational alignment and inadequate incentivisation may lead to poor performance and instability. It could also have an adverse impact on the realisation of strategic plans.

The Company concentrating on developing the most appropriate culture, aligned to driving productive management behaviours focused on delivering business priorities, is critical. Leading by example from the top is a key driver.

The Company has policies in place to help ensure that it is able to attract and retain employees of a high calibre with the required skills.

Pandemic

The global coronavirus pandemic involving the spread of Covid 19, although diminishing, continues to present a number of different risks to the business. There is the possibility of an outbreak of new variants and the global economic outlook is still uncertain.

INTY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021

The risks of adverse health and safety, operational and financial impacts arising from the pandemic and the associated governmental responses could still be significant.

The safety of our employees and those in our care continues to be our first priority and is at the forefront of our response to the pandemic. We are ready to react quickly to mobilise all staff to work from home and cancel all business travel if required. Mental and physical health continues to be a priority with regular contact to support wellbeing. Flexibility and staff autonomy is promoted and training made available on managing teams remotely with support and guidance from HR.

We are working diligently supporting our employees who are flexibly working from home or from our offices. We actively include our staff in any decision making and supply regular updates. We are responding dynamically to any changes in the situation that the Coronavirus pandemic creates and following all Government guidelines.

We provide essential services for our customers and the continuation of these services is a key priority. We are working closely with customers to understand their actions in response to the pandemic.

Currently we have not been significantly affected. We will continue with our current focused management approach to protect the company and its key stakeholders until the impact of Covid 19 becomes clearer. Our priorities remain the health and safety of our staff, customer service, financial discipline and business continuity.

IT Systems and business information

The Company's operations, as with most businesses, are dependent on maintaining and protecting the integrity and security of the IT systems and management of information. In particular we are dependent on our CASCADE platform.

Disruption to the IT systems could adversely affect business and Company operations in a variety of ways, which may result in an adverse impact on business operations, revenues, customer relations, supplier relations, and reputational damage.

To maintain the required control environment the Company relies upon automated, semi-automated and manual controls together with a combination of preventative and detective controls.

The Company continues to invest in its CASCADE platform to ensure stability and that it meets the current and future requirements of its customers. Disaster recovery and business continuity plans are in place to mitigate these risks to the extent feasible and are regularly reviewed.

The Company continues to invest in Business Intelligence to improve our working practices and quality of management information.

Cyber security

There could be a data security breach (Company data or customer data) involving personal, commercial or product data, either directly from the Company or a third party. This could occur as a result of a malicious or criminal act, or an inadvertent system error.

This could result in data loss, which could harm client and customer relationships, compliance and/or perception of the effectiveness of the Group's services.

The Company works continually to counter the risk posed by the current and emerging cyber security threat landscape.

Technology and training programmes to protect the performance, security and availability of the Company's IT systems are supported by the Group's specialists. Group-wide cyber policies and processes are in place. The threat posture is continually reviewed and managed.

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STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021

Legal and regulatory compliance

Compliance with national and regional laws and regulations is essential to successful business operations.

The Company may be involved in legal and other proceedings from time to time, and as a result may face damage to its reputation or legal liability.

The Group has a variety of customer contracts in a variety of Sectors.

Failure to comply could result in civil or criminal sanctions (i.e. personal liability for directors), as well as possible claims, legal proceedings, fines, loss of revenue and reputational damage.

The Company has in place policies and procedures to mitigate these risks. The Company has access to the Group's legal team, enhanced by specialist external advisors as required, to aid monitoring and review compliance.

Internal controls over financial reporting

Internal controls over financial reporting may not prevent or detect an error, fraud, financial misstatement or other financial loss, leading to a material misstatement in the Group's financial statements.

Failure to discover and address any material weaknesses or deficiencies in the Group's internal controls over financial reporting could result in material misstatement in the Company's financial statements and impair the Company's ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis.

The Company regularly reviews and where required, updates its internal controls.

The Company is committed to ensuring on-going compliance with anti-bribery and corruption, data protection and market abuse and insider dealing laws and has in place a Code of Conduct with supporting training materials. Mandatory Code of Conduct training was rolled out and completed by all employees.

The Group maintains processes and policies to ensure it is compliant with data protection requirements imposed by data protection and privacy laws, including GDPR.

Financial Risks

The main financial risks faced by the Company relate to fluctuations in foreign exchange rates, the risk of default by counterparties to financial transactions and the availability of funds to meet business needs. The management of these risks is set out below.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations leading to a financial loss for the Company. Credit risk arises from cash and cash equivalents, Trade and other receivables (excluding prepayments), Derivative financial instruments, Loans and advances to customers and banks, financial assets at fair value through other comprehensive income and Short term investments.

The Company does not hold financial assets (other than Trade and other receivables).

Due to the nature and business model of the company, credit risk is low. Processes are in place including the performing of background, and where added risk is perceived, third party credit rating checks.

Liquidity Risk

The Company finances its liquidity position and its operations by maintaining a prudent level of cash to meet liquidity needs as they arise. The Company is also supported by its owners if required.

To maintain a smooth debt Liquidity risk is continuously monitored by short-term and long-term cash flow forecasts.

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STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021

Foreign Exchange Risk

The Company is exposed to foreign exchange risk principally via:

Transactional exposure that arises from the cost of purchases for resale, where those purchases are denominated in a currency other than the functional currency of the purchasing company.

ScanSource Inc. operates currency hedging and will give support if required, where there is a need for specific currency.

Transactions with non UK Group companies in currencies other than in the Company's functional currency are of an immaterial level.

Key supplier risk

We are dependent on suppliers for continued operations. The failure of a key supplier to deliver contractual obligations may cause significant disruption to our operation. Supplier relationships are key to our operations. The Company maintains close contact and monitors any potential risk.

Key performance indicators

The financial performance and position of the company are in line with the directors' expectations. Those that specifically relate to the company are as follows:

Financial - The company considers revenue, operating profit, operating margin and net cash flow from operating activities to be its principal financial key performance indicators.

The company has made significant changes to and investment in, its 'go to market' strategy. This has resulted in increased revenue when compared to the previous period. This strategy will continue into the next period.

The company's' business model is based on committed monthly recurring revenue. Strong customer support and relationships have ensured that churn is kept to a minimum which has meant that revenue continues to increase.

Due to the effects of COVID 19 restrictions and targeted cost savings, operating profit, margin and net cash flow from operating activities have been kept in line with expectations and the previous period.

Non financial Health and safety, energy efficiency, emissions, use of recycled products and waste managed are principal areas of focus for the company.

Going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 30 June 2021, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The Board has concluded that it is appropriate to adopt the going concern basis having considered forecasts prepared by the Company up to 30 June 2023, a period of at least 12 months from the date of signing these financial statements. These considerations included the outlook of cloud-based SaaS products, the Company's liquidity position and the risk mitigation options that are within the control of the Directors. The potential impacts of the Coronavirus pandemic and BREXIT together with the events in Ukraine and the changing macro-economic climate have also been taken into account.

The financial statements are prepared on a going concern basis notwithstanding that the Company has reported a loss after taxation for the year ended 30 June 2021 of £433,000 (loss after taxation for the 18 months ended 30 June 2020 £461,000).

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STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021

Business Outlook and Sensitised Cash Flow Projection

When assessing going concern, the Directors evaluate whether the Company's cash on hand and cash generated by operations are sufficient to cover day to day working capital requirements and that there is no shortfall of liquidity during the going concern period. Working capital can appear low due to the nature of the business where cash collections are automated, month end Trade Debtors are kept low with very rare bad debts, but month end Trade Creditors will be higher due to the utilisation of agreed credit terms.

Other than VAT and inter company balances the company does not have significant third party loans which require repayment.

Base and discounted projected cash flow forecasts have been prepared over a three year period using discount rates of 2.5% and 30% on the projected cash flows to give a range of possibilities. All of which show positive cashflows over the period. The analysis represents the Company's reasonable estimate of the likely range of impacts of the Coronavirus pandemic on the business. This includes the potential for various global or local rolling lockdowns in the jurisdictions which the company operates.

Although the Coronavirus pandemic has added complexity to the business environment, the Company has performed well and the demand for the products and services sold has shown no decline. With the potential change in working practices, it is expected that the demand for cloud based SaaS products will not diminish and is likely to increase.

Although there have been some administrative changes, BREXIT has not had a significant financial consequence on the period and is unlikely to be significant in the period of at least 12 months from the date of signing these financial statements.

It is difficult to fully ascertain the impact of events in Ukraine and the changing macro-economic climate, however the Board believes that although they will have some possible effect on the company, they will not be significant in the period of at least 12 months from the date of signing these financial statements.

Following the owners' strategic plans, the Group requires and supports the company's continued investment in its CASCADE platform.

In the event that the Company's cash on hand and cash generated by operations should become insufficient to cover day to day working capital requirements or meet its liabilities as they fall due, ScanSource Inc. have confirmed their intention to support the company financially for at least 12 months from the date of the approval of these financial statements.

Letters of support from ScanSource Inc. have been obtained confirming this position.

Based on the above, the Directors expect that the Company will continue in operational existence and expects to have sufficient assets to meet its third party obligations as they fall due for at least the next twelve months after the date of the approval of these financial statements. As a result, the Directors continue to adopt the assumption of going concern basis of accounting in preparing the Company's financial statements for the period ended 30 June 2021.

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

S Jones
Director

Date: 29 June 2022

INTY LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2021

The directors present their report and the financial statements for the period ended 30 June 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activity in the period was the supply of cloud applications and services to customers via both direct and reseller channels using its intellectual property, CASCADE, for the seamless provisioning, billing and self-service management of those cloud applications and services. Third party services also made a contribution to growth.

Results and dividends

The loss for the period, after taxation, amounted to £433,000 (2020 - loss £461,000).

A dividend of £2,000,000 was paid during the year (2020: £NIL).

At the year end the company has a deficit on the profit and loss account of £291,000. The dividend noted above was declared on 7 December 2020 and at that time there were sufficient reserves in order to declare a dividend of £2,000,000. The Directors undertake to make no further distributions until such time as there are reserves available for the purpose.

Directors

The directors who served during the period were:

M Dean

S Jones (appointed 8 January 2021)

G Lyons (resigned 8 January 2021)

INTY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021

Future developments

In the coming months, we will continue to manage the impact of COVID-19. The Company will continue to invest in its platform; CASCADE and to expand its offerings by on-boarding new services and vendors. We will reinforce and build on our strong relationships with vendors and the level of service we provide to our customers. To support this, intY Limited will continue to invest in its staff and business intelligence.

Financial instruments

The company's principal financial instruments comprise cash, trade creditors, trade debtors, and loans with group companies and finance lease agreements. These form the company's day-to-day trading balances.

Company's policy for payment of creditors

It is the company's policy to pay suppliers in accordance with agreed terms. At the year end, there were 26 days (2020:30 days) purchases in trade payables.

Research and development activities

The company continues to develop products in the cloud computing market and has capitalised £605,000 in the 12 months to 30 June 2021 (18 months to 30 June 2020: £652,000) in respect of internally developed solutions that are expected to generate future incomes.

The company capitalises expenditure on development activities where it meets the requirements of UK accounting standards for capitalisation.

Matters covered in the Strategic Report

In accordance with S414C (11) of the Companies Act 2006 the directors have opted to include information regarding financial risk management and objectives in the Strategic Report.

Disclosure of information to auditors

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

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

Post balance sheet events

There are no post balance sheet events which impact the company.

Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

INTY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2021**

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

S Jones
Director

Date: 29 June 2022

INTY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTY LIMITED

Opinion

We have audited the financial statements of IntY Limited (the 'company') for the year ended 30 June 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework (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 30 June 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

We are responsible for concluding on the appropriateness of the directors' 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in

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

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 or apparent material misstatements, 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, have not identified material misstatements in the Company Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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 for the financial statements

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.

INTY LIMITED

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Explanation as to what extent 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, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The engagement teams understanding of the legal and regulatory framework and which laws and regulations the engagement team identified as being significant in the context of the entity

- We enquired of management, and those charged with governance, concerning the Company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated the results of our enquires to relevant supporting documentation.
- We identified whether there is a culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 101 and the Companies Act 2006)
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We have considered the impact of the sanctions against Russia on the company's operations, customer base and credit risk as well as the possibility of further more restrictive sanctions being imposed and nothing has come to our attention to suggest that the operations or the liquidity of the company has been adversely affected directly by the current political and economic situation other than a negative impact on inflation. We have considered management's assessment of the sanctions impact on the company's operations.

The engagement team's assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls.

- Our audit procedures included:

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

- journal entry testing, with a focus on material manual journals, those posted directly to cash and revenue;
- challenging assumptions and judgements made by management in its significant accounting estimates
- assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

The engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We assessed the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the industry in which the client operates
- understanding of the legal and regulatory requirements specific to the entity/regulator including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions

Matters about non-compliance with laws and regulations and fraud that were communicated with the engagement team

- We did not identify any matters relating to non-compliance with laws and regulation and fraud.

INTY LIMITED

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

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.

Amrish Shah (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants & Senior Statutory Auditor

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RG1 1AR

29 June 2022

INTY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021

	Note	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
Turnover	4	40,912	44,129
Cost of sales		(36,130)	(37,721)
Gross profit		4,782	6,408
Administrative expenses		(5,356)	(7,066)
Operating loss	5	(574)	(658)
Interest receivable and similar income	9	1	75
Interest payable and similar expenses	10	-	(1)
Loss before tax		(573)	(584)
Tax on loss	11	140	123
Loss for the financial period		(433)	(461)

There was no other comprehensive income for 2021 (2020:£000NIL).

The notes on pages 18 to 40 form part of these financial statements.

INTY LIMITED
REGISTERED NUMBER: 03438922

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	13	997	864
Tangible assets	14	560	746
		<u>1,557</u>	<u>1,610</u>
Current assets			
Debtors: amounts falling due within one year	16	4,522	6,694
Cash at bank and in hand	17	2,098	2,278
		<u>6,620</u>	<u>8,972</u>
Creditors: amounts falling due within one year	18	(8,277)	(8,119)
Net current (liabilities)/assets		<u>(1,657)</u>	853
Total assets less current liabilities		<u>(100)</u>	2,463
Creditors: amounts falling due after more than one year	19	(148)	(265)
		<u>(248)</u>	2,198
Provisions for liabilities			
Deferred taxation	22	-	(13)
		<u>-</u>	(13)
Net (liabilities)/assets		<u><u>(248)</u></u>	<u><u>2,185</u></u>
Capital and reserves			
Called up share capital	23	43	43
Share premium account	24	-	1,773
Profit and loss account	24	(291)	369
		<u>(248)</u>	<u>2,185</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S Jones
Director

Date: 29 June 2022

The notes on pages 18 to 40 form part of these financial statements.

INTY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2019	43	1,773	830	2,646
Loss for the period	-	-	(461)	(461)
At 1 July 2020	43	1,773	369	2,185
Loss for the period	-	-	(433)	(433)
Dividends: Equity capital	-	-	(2,000)	(2,000)
Transfer from share premium account	-	-	1,773	1,773
Transfer to profit and loss account	-	(1,773)	-	(1,773)
At 30 June 2021	<u>43</u>	<u>-</u>	<u>(291)</u>	<u>(248)</u>

The notes on pages 18 to 40 form part of these financial statements.

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

1. General information

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. Its registered office and principal place of business is 170 Aztec West, Bristol, BS32 4TN.

The principal activity of the company is the supply of cloud applications and services to customers via both direct and reseller channel using its intellectual property, CASCADE, for the seamless provisioning, billing and self service management of those cloud applications and services.

The financial statements are prepared for a period of 12 months from the 1 July 2020 to 30 June 2021 following the extension of the company's year end during the prior period to present the results from 1 January 2019 to 30 June 2020. As a result the comparatives are not entirely comparable as they present an 18 month period.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Scansource Inc as at 30 June 2021 and these financial statements may be obtained from www.scansource.com.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.4 Going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 30 June 2021, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The Board has concluded that it is appropriate to adopt the going concern basis having considered forecasts prepared by the Company up to 30 June 2023, a period of at least 12 months from the date of signing these financial statements. These considerations included the outlook of cloud-based SaaS products, the Company's liquidity position and the risk mitigation options that are within the control of the Directors. The potential impacts of the Coronavirus pandemic and BREXIT together with the events in Ukraine and the changing macro-economic climate have also been taken into account.

The financial statements are prepared on a going concern basis notwithstanding that the Company has reported a loss after taxation for the year ended 30 June 2021 of £433,000 (loss after taxation for the 18 months ended 30 June 2020 £461,000).

Business Outlook and Sensitised Cash Flow Projection

When assessing going concern, the Directors evaluate whether the Company's cash on hand and cash generated by operations are sufficient to cover day to day working capital requirements and that there is no shortfall of liquidity during the going concern period. Working capital can appear low due to the nature of the business where cash collections are automated, month end Trade Debtors are kept low with very rare bad debts, but month end Trade Creditors will be higher due to the utilisation of agreed credit terms.

Other than VAT and inter company balances the company does not have significant third party loans which require repayment.

Base and discounted projected cash flow forecasts have been prepared over a three year period using discount rates of 2.5% and 30% on the projected cash flows to give a range of possibilities. All of which show positive cashflows over the period. The analysis represents the Company's reasonable estimate of the likely range of impacts of the Coronavirus pandemic on the business. This includes the potential for various global or local rolling lockdowns in the jurisdictions which the company operates.

Although the Coronavirus pandemic has added complexity to the business environment, the Company has performed well and the demand for the products and services sold has shown no decline. With the potential change in working practices, it is expected that the demand for cloud based SaaS products will not diminish and is likely to increase.

Although there have been some administrative changes, BREXIT has not had a significant financial consequence on the period and is unlikely to be significant in the period of at least 12 months from the date of signing these financial statements.

It is difficult to fully ascertain the impact of events in Ukraine and the changing macro-economic climate, however the Board believes that although they will have some possible effect on the company, they will not be significant in the period of at least 12 months from the date of signing these financial statements.

Following the owners' strategic plans, the Group requires and supports the company's continued investment in its CASCADE platform.

In the event that the Company's cash on hand and cash generated by operations should become insufficient to cover day to day working capital requirements or meet its liabilities as they fall due, ScanSource Inc. have confirmed their intention to support the company financially for at least 12

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.4 Going concern (continued)

months from the date of the approval of these financial statements.

Letters of support from ScanSource Inc. have been obtained confirming this position.

Based on the above, the Directors expect that the Company will continue in operational existence and expects to have sufficient assets to meet its third party obligations as they fall due for at least the next twelve months after the date of the approval of these financial statements. As a result, the Directors continue to adopt the assumption of going concern basis of accounting in preparing the Company's financial statements for the period ended 30 June 2021.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.6 Revenue

Revenue is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

The principles for revenue recognition defined by the standard IFRS 15 are based on an analysis in five successive stages:

- a) identification of the agreement;
- b) the identification of the different performance obligations, i.e. the list of separate goods and services that the seller has undertaken to provide to the buyer;
- c) the determination of the overall price of the agreement;
- d) the allocation of the overall price of each performance obligation;
- e) the recognition of revenue when a performance obligation is satisfied.

In practice, the rules for the recognition of revenue according to the main performance obligations identified are presented below:

Profit is recognised on bespoke customer project work, if the final outcome can be assessed with reasonable certainty by including turnover and related costs as the project activity progresses. Revenue and profit for license products are recognised on a straight line basis over the life of the contract.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.7 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Tangible Assets' line in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.7 Leases (continued)

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.14.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.8 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 is 3 years.

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.

2.9 Interest income

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

2.10 Finance costs

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

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. 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 operates and generates 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.

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.

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.

The estimated useful lives range as follows:

Computer software	-	3	years
Development expenditure	-	3	years

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.14 Tangible fixed assets (continued)

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:

Long-term leasehold property	-	over the life of the lease
Fixtures and fittings	-	3 years
Computer equipment	-	3 years
Right-to-use assets	-	over the life of the lease

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 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**2. Accounting policies (continued)****2.18 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at fair value through other comprehensive income ("FVOCI"). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses (ECL) for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcome could differ from those estimates. The following estimates have the most significant effect on amounts recognised in the financial statements.

Capitalisation of research and development costs

In line with IAS 38, it is company policy to capitalise and amortise development expenditure for the production of new or substantially improved internal-use software. Such expenditure is amortised over the period which the directors expect to obtain economic benefits. Costs incurred for implementation activities during the preliminary and post-implementation phases of a project are expensed as incurred, while costs incurred during the application development phase are capitalized. Costs incurred to upgrade or enhance existing software are capitalized if the changes result in additional functionality. This policy includes judgments regarding the initial recognition of the asset based upon expected future net revenues and when software or 'module' is released or becomes ready for its intended use. It also includes estimations regarding the useful life of the intangible asset and period of amortisation.

4. Turnover

The whole of the turnover is attributable to the principal activity of the business which is disclosed in note 1 to the financial statements.

Analysis of turnover by country of destination:

	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
United Kingdom	39,278	41,607
Rest of Europe	1,634	2,522
	<u>40,912</u>	<u>44,129</u>

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

5. **Operating loss**

The operating loss is stated after charging:

	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
Depreciation of tangible fixed assets	257	228
Amortisation of intangible assets, including goodwill	472	664
Operating leases	122	183
Defined contribution pension cost	153	157
	<u>-</u>	<u>-</u>

6. **Auditors' remuneration**

	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>53</u>	<u>36</u>

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

7. Employees

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

	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
Wages and salaries	3,251	4,382
Social security costs	446	575
Cost of defined contribution scheme	153	157
	<u>3,850</u>	<u>5,114</u>

The above costs have been stated net of £6045,000 (2020: £nil) capitalised as development expenditure (per note 13)

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

	Year ended 30 June 2021 No.	18 months ended 30 June 2020 No.
Administrative	61	50
Sales	17	17
	<u>78</u>	<u>67</u>

8. Directors' remuneration

	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
Directors' emoluments	-	131
	<u>-</u>	<u>131</u>

During the period retirement benefits were accruing to no directors (2020 - 1) in respect of defined contribution pension schemes.

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

9. Interest receivable

	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
Interest receivable from group companies	1	75
	<u>1</u>	<u>75</u>

10. Interest payable and similar expenses

	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
Loans from group undertakings	-	1
	<u>-</u>	<u>1</u>

11. Taxation

	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
Corporation tax		
Current tax on profits for the year	-	(175)
Adjustments in respect of previous periods	-	39
	<u>-</u>	<u>(136)</u>
Total current tax	<u>-</u>	<u>(136)</u>
Deferred tax		
Origination and reversal of timing differences	(140)	13
Total deferred tax	<u>(140)</u>	<u>13</u>
Taxation on loss on ordinary activities	<u>(140)</u>	<u>(123)</u>

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

11. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Year ended 30 June 2021 £000	18 months ended 30 June 2020 £000
Loss on ordinary activities before tax	<u>(573)</u>	<u>(584)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(109)	(111)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	10
Capital allowances for period in excess of depreciation	(1)	10
Deferred tax not previously provided	-	(34)
Adjustments to tax charge in respect of prior periods	-	39
Deferred tax rate differences	(30)	-
Non-taxable income	-	(37)
Total tax charge for the period	<u>(140)</u>	<u>(123)</u>

Factors that may affect future tax charges

Deferred tax is provided at 25%, the rate substantively enacted at the balance sheet date.

12. Dividends

	2021 £000	2020 £000
Interim dividend on equity shares at £46.68 per share (2020: £nil per share)	2,000	-
	<u>2,000</u>	<u>-</u>

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

13. Intangible assets

	Customer relationships £000	Development expenditure £000	Computer software £000	Total £000
Cost				
At 1 July 2020	191	2,995	80	3,266
Additions - external	-	605	-	605
At 30 June 2021	<u>191</u>	<u>3,600</u>	<u>80</u>	<u>3,871</u>
Amortisation				
At 1 July 2020	-	2,323	79	2,402
Charge for the period on owned assets	-	472	-	472
At 30 June 2021	<u>-</u>	<u>2,795</u>	<u>79</u>	<u>2,874</u>
Net book value				
At 30 June 2021	<u>191</u>	<u>805</u>	<u>1</u>	<u>997</u>
At 30 June 2020	<u>191</u>	<u>673</u>	<u>1</u>	<u>865</u>

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

14. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Right of use assets - property £000	Total £000
Cost or valuation					
At 1 July 2020	373	67	656	487	1,583
Additions	4	-	66	-	70
At 30 June 2021	<u>377</u>	<u>67</u>	<u>722</u>	<u>487</u>	<u>1,653</u>
Depreciation					
At 1 July 2020	283	61	377	115	836
Charge for the period on owned assets	33	5	114	-	152
Charge for the period on right-of-use assets	-	-	-	105	105
At 30 June 2021	<u>316</u>	<u>66</u>	<u>491</u>	<u>220</u>	<u>1,093</u>
Net book value					
At 30 June 2021	<u>61</u>	<u>1</u>	<u>231</u>	<u>267</u>	<u>560</u>
At 30 June 2020	<u>90</u>	<u>5</u>	<u>279</u>	<u>372</u>	<u>746</u>

The net book value of land and buildings may be further analysed as follows:

	2021 £000	2020 £000
Long leasehold	61	89
	<u>61</u>	<u>89</u>

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of Financial Position is as follows:

	2021 £000	2020 £000
Tangible fixed assets owned	292	374
Right-of-use tangible fixed assets	267	372
	<u>559</u>	<u>746</u>

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

14. Tangible fixed assets (continued)

Information about right-of-use assets is summarised below:

Net book value

	2021 £000	2020 £000
Property	267	372
	<u>267</u>	<u>372</u>

Depreciation charge for the period ended

	2021 £000	2020 £000
Property	105	115
	<u>105</u>	<u>115</u>

Additions to right-of-use assets during the year were £nil (2020: £487,000).

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

15. **Subsidiary undertakings**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
ScanSource Communications Ltd	1 Callaghan Square, Cardiff, South Glamorgan, CF10 5BT	Ordinary	100 %
ScanSource G.B. and N.I. Ltd	1 Callaghan Square, Cardiff, South Glamorgan, CF10 5BT	Ordinary	100 %

The aggregate of the share capital and reserves as at 30 June 2021 and the profit or loss for the period ended on that date for the subsidiary undertakings was as follows:

Name	Aggregate of share capital and reserves £000
ScanSource Communications Ltd	1
ScanSource G.B. and N.I. Ltd	1

All of the above noted subsidiaries were dissolved post year end.

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

16. Debtors

	2021 £000	2020 £000
Trade debtors	2,720	1,624
Amounts owed by group undertakings	295	4,238
Other debtors	6	-
Prepayments and accrued income	1,199	657
Tax recoverable	175	175
Deferred taxation (see note 22)	127	-
	<u>4,522</u>	<u>6,694</u>

17. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	2,098	2,278
	<u>2,098</u>	<u>2,278</u>

18. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	3,533	2,875
Amounts owed to group undertakings	17	18
Other taxation and social security	2,427	3,090
Lease liabilities	117	113
Other creditors	6	10
Accruals and deferred income	2,177	2,013
	<u>8,277</u>	<u>8,119</u>

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

	2021 £000	2020 £000
Lease liabilities	148	265
	<u>148</u>	<u>265</u>

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

20. Leases

Company as a lessee

The company leases property from which it operates.

Lease liabilities are due as follows:

	2021 £000	2020 £000
Less than one year	117	113
Between one year and five years	148	265
	<u>265</u>	<u>378</u>

21. Financial instruments

	2021 £000	2020 £000
Financial assets		
Financial assets measured at fair value through profit or loss	2,098	2,278
Financial assets that are debt instruments measured at amortised cost	3,804	6,104
	<u>5,902</u>	<u>8,382</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(5,507)</u>	<u>(4,799)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

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

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group companies, accruals and other creditors.

22. Deferred taxation

	2021 £000
At beginning of year	(13)
Charged to profit or loss	140
At end of year	<u>127</u>

INTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

22. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	(9)	(16)
Tax losses carried forward	123	-
Short term timing differences	13	3
	<u>127</u>	<u>(13)</u>

23. Share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
42,849 (2020 - 42,849) Ordinary shares of £1.00 each	<u>43</u>	<u>43</u>

24. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares issued, less transaction costs. During the year the company underwent a capital reduction and the full amount was transferred to the profit and loss account.

Profit and loss account

The profit and loss account represents cumulative profits available for distribution.

25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £153,000 (2020: £157,000).

26. Related party transactions

The company is exempt from the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more wholly owned members of the group headed by ScanSource Inc.

INTY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021**

27. Controlling party

The immediate parent undertaking of the company is IntY Holdings Limited, a Company registered in England & Wales.

In the directors' opinion the company's ultimate parent undertaking and controlling party and both the largest and smallest groups of which the company is a member and for which group financial statements are prepared, is ScanSource Inc, which is incorporated in the United States of America. Copies of its group financial statements are available from ScanSource Inc, Greenville, South Carolina, US.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.