Company Registration No. SC228451 (Scotland)

ALTIA SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

ALTIA SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	R Sinclair	
	A Peet	(Appointed 28 April 2021)
	S Hook	(Appointed 23 November 2020)
Company number	SC228451	
Registered office	146 West Regent Street GLASGOW G2 2RQ	
Auditor	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND	

ALTIA SOLUTIONS LIMITED

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ALTIA SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

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

J Boyle	(Resigned 23 November 2020)
R Orr	(Resigned 23 November 2020)
I Watson	(Resigned 23 November 2020)
R Sinclair	
A Peet	(Appointed 28 April 2021)
S Hook	(Appointed 23 November 2020)

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor
The auditor, Johnston Carmichael LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 auditor of the company 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 auditor of the company is aware of that information.

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

On behalf of the board

A Peet
Director
30 September 2021

ALTIA SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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 group and company, and of the profit or loss of the group 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALTIA SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Altia Solutions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company 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 group's and the parent company's affairs as at 31 December 2020 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent 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.

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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include FRS 102, the Companies Act 2006 and corporation tax legislation.

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level of and reasoning behind the group's procurement of legal and professional services;
- Performing audit work procedures over the risk of management 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 judgements made by management in their calculation of accounting estimates for potential management bias;

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material risk due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

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.

Barry Masson (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP
Chartered Accountants
Statutory Auditor

30 September 2021

227 West George Street
Glasgow
G2 2ND

ALTIA SOLUTIONS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020	2019 restated
		£	£
Turnover		5,679,076	5,459,617
Cost of sales		(106,295)	(162,225)
Gross profit		5,572,781	5,297,392
Administrative expenses		(4,147,823)	(4,307,264)
Other operating income		11,855	3,881
Operating profit before depreciation, amortisation and exceptional items		1,436,813	994,009
Amortisation		(393,991)	(385,293)
Depreciation		(25,659)	(54,773)
Exceptional Items		(235,125)	-
Operating profit after depreciation, amortisation and exceptional items		782,038	553,943
Interest receivable and similar income		2,353	1,272
Interest payable and similar expenses		(19,421)	(70,727)
Profit before taxation		764,970	484,488
Tax on profit		(102,238)	(57,832)
Profit for the financial year		662,732	426,656

ALTIA SOLUTIONS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£	£
Profit for the year	662,732	426,656
Other comprehensive income		
Currency translation differences	(2,135)	(5,115)
Total comprehensive income for the year	660,597	421,541

Total comprehensive income for the year is all attributable to the owners of the parent company.

ALTIA SOLUTIONS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019 restated	
	Notes	£	£	£	£
Fixed assets					
Total intangible assets	5		169,530		563,541
Tangible assets	6		50,659		49,782
			220,189		613,323
Current assets					
Stocks		-		22,500	
Debtors	9	2,370,677		1,919,879	
Cash at bank and in hand		1,618,956		1,257,665	
		3,989,633		3,200,044	
Creditors: amounts falling due within one year	10	(2,358,152)		(2,410,226)	
Net current assets			1,631,481		789,818
Total assets less current liabilities			1,851,670		1,403,141
Creditors: amounts falling due after more than one year	11		-		(220,000)
Provisions for liabilities			(1,812)		-
Net assets			1,849,858		1,183,141
Capital and reserves					
Called up share capital			44,566		40,966
Share premium account			127,520		125,000
Capital redemption reserve			3,333		3,333
Profit and loss reserves			1,674,439		1,013,842
Total equity			1,849,858		1,183,141

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2021 and are signed on its behalf by:

A Peet
Director

ALTIA SOLUTIONS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	**5**		8,699		161,467
Tangible assets	**6**		27,697		18,249
Investments	**7**		679,243		679,243
			715,639		858,959
Current assets					
Stocks		-		22,500	
Debtors	**9**	1,610,211		1,881,480	
Cash at bank and in hand		570,678		221,976	
		2,180,889		2,125,956	
Creditors: amounts falling due within one year	**10**	(1,458,487)		(1,930,568)	
Net current assets			722,402		195,388
Total assets less current liabilities			1,438,041		1,054,347
Creditors: amounts falling due after more than one year	**11**		-		(220,000)
Provisions for liabilities			(2,232)		(420)
Net assets			1,435,809		833,927
Capital and reserves					
Called up share capital			44,566		40,966
Share premium account			127,520		125,000
Capital redemption reserve			3,333		3,333
Profit and loss reserves			1,260,390		664,628
Total equity			1,435,809		833,927

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £595,762 (2019 - £411,575 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

ALTIA SOLUTIONS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 30 September 2021 and are signed on its behalf by:

A Peet
Director

Company Registration No. SC228451

ALTIA SOLUTIONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2019	40,966	125,000	3,333	592,301	761,600
Year ended 31 December 2019:					
Profit for the year restated	-	-	-	426,656	426,656
Other comprehensive income:					
Currency translation differences on overseas subsidiaries	-	-	-	(5,115)	(5,115)
Total comprehensive income for the year	-	-	-	421,541	421,541
Balance at 31 December 2019 restated	40,966	125,000	3,333	1,013,842	1,183,141
Year ended 31 December 2020:					
Profit for the year	-	-	-	662,732	662,732
Other comprehensive income:					
Currency translation differences on overseas subsidiaries	-	-	-	(2,135)	(2,135)
Total comprehensive income for the year	-	-	-	660,597	660,597
Other movements	3,600	2,520	-	-	6,120
Balance at 31 December 2020	44,566	127,520	3,333	1,674,439	1,849,858

ALTIA SOLUTIONS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2019	40,966	125,000	3,333	253,053	422,352
Year ended 31 December 2019:					
Profit and total comprehensive income for the year restated	-	-	-	411,575	411,575
Balance at 31 December 2019 restated	40,966	125,000	3,333	664,628	833,927
Year ended 31 December 2020:					
Profit and total comprehensive income for the year	-	-	-	595,762	595,762
Other	3,600	2,520	-	-	6,120
Balance at 31 December 2020	44,566	127,520	3,333	1,260,390	1,435,809

1 Accounting policies

Company information

Altia Solutions Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is 146 West Regent Street, GLASGOW, G2 2RQ.

The group consists of Altia Solutions Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Altia Solutions Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries with a functional currency other than sterling are translated into sterling for presentation within the group financial statements. Assets and liabilities are translated at the exchange rate prevailing at the reporting date. Income and expenses are translated at the average rate over the reporting period. All resulting exchange differences are recognised in other comprehensive income.

1 Accounting policies **(Continued)**

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the directors recognise that forecasts are by nature forward looking and therefore may vary from actual results. Despite the restrictions imposed by Covid-19, the business has continued to trade throughout and proactively managed their cash outflows to ensure they remain profitable. Cash outflows have been managed through taking advantage of Government support schemes such as furlough and deferral of VAT payments. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents amounts receivable for software licences, software maintenance and support, installation costs and software training and is stated net of VAT and trade discounts.

Software licences, installation costs and software training are recognised at the time of the sale or when the obligation has been performed. Software maintenance and support is deferred and released to turnover on a pro rata basis over the period covered and is calculated from the total value divided by the number of months the payment covers.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit. This period is deemed to be 5 years.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are reviewed for impairment at least annually. If there is an indicator of impairment and the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 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 or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	33% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computer equipment	33% - 50% straight line
Computer software	33% straight line

1 Accounting policies **(Continued)**

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 recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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 the profit and loss account.

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 the profit and loss account.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.11 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include certain 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. Financial assets classified as receivable within one year are not amortised.

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 the profit and loss account.

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 the profit and loss account.

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including certain creditors and bank loans, are initially recognised at transaction price. 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.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

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

1.12 Equity instruments

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

1.13 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 group'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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies **(Continued)**

1.16 Leases

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

1.17 Foreign exchange

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

1.18 Exceptional costs

Exceptional costs represent non-recurring costs considered by the directors to be material to users of the financial statements.

1.19 Prior year adjustment

Upon review, the company has identified certain revenue recognised in the prior year related to contractual periods that did not commence until after 31 December 2019. As a result, a prior year adjustment has been recorded to reduce group revenue in the year ended 31 December 2019 by £409,292, with a corresponding increase in deferred income at 31 December 2019. The corresponding tax effect of this adjustment of £77,765 for the year ended 31 December 2019 is also recognised, with a deferred tax asset of the same amount. The net effect is therefore a £331,527 reduction in profit and loss reserves at 31 December 2019.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

3 Exceptional costs/(income)

	2020	2019
	£	£
Associated costs for sale of group	235,125	-

4 Employees

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

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Total employees	54	83	26	27

5 Intangible fixed assets

Group	Goodwill	Other	Total
	£	£	£
Cost			
At 1 January 2020 and 31 December 2020	1,206,217	414,620	1,620,837
Amortisation and impairment			
At 1 January 2020	804,143	253,153	1,057,296
Amortisation charged for the year	241,243	152,768	394,011
At 31 December 2020	1,045,386	405,921	1,451,307
Carrying amount			
At 31 December 2020	160,831	8,699	169,530
At 31 December 2019	402,074	161,467	563,541

Company	Other
	£
Cost	
At 1 January 2020 and 31 December 2020	414,620
Amortisation and impairment	
At 1 January 2020	253,153
Amortisation charged for the year	152,768
At 31 December 2020	405,921
Carrying amount	
At 31 December 2020	8,699
At 31 December 2019	161,467

6 Tangible fixed assets

Group	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2020	24,541	430,440	454,981
Additions	-	39,368	39,368
Exchange differences	-	94	94
At 31 December 2020	24,541	469,902	494,443
Depreciation and impairment			
At 1 January 2020	24,541	380,568	405,109
Depreciation charged in the year	-	38,025	38,025
Exchange differences	-	650	650
At 31 December 2020	24,541	419,243	443,784
Carrying amount			
At 31 December 2020	-	50,659	50,659
At 31 December 2019	-	49,782	49,782

Company	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2020	24,541	225,272	249,813
Additions	-	22,774	22,774
At 31 December 2020	24,541	248,046	272,587
Depreciation and impairment			
At 1 January 2020	24,541	207,023	231,564
Depreciation charged in the year	-	13,326	13,326
At 31 December 2020	24,541	220,349	244,890
Carrying amount			
At 31 December 2020	-	27,697	27,697
At 31 December 2019	-	18,249	18,249

7 Fixed asset investments

	Group 2020	2019	Company 2020	2019
	£	£	£	£
	-	-	679,243	679,243

Movements in fixed asset investments

Company	**Shares in subsidiaries**
	£
Cost or valuation	
At 1 January 2020 and 31 December 2020	679,243
Carrying amount	
At 31 December 2020	679,243
At 31 December 2019	679,243

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
ABM Intelligence Limited	Altia-Abm, Nottingham Science & Technology Park, Nottingham, England, NG7 2RL	Investigation software developer and seller	Ordinary	100.00	
Altia-ABM Group Limited	Nottingham Science & Technology Park, Nottingham, NG7 2RL	Holding company	Ordinary	100.00	
Altia-ABM Inc	2425 Matheson Boulevard East, 8th Floor, Mississauga, Toronto, Ontario, L4W 5K4	Investigation software seller	Ordinary	100.00	
Altia-ABM Pty	385 Bourke Street , Melbourne, VIC 3000, Australia	Investigation software seller	Ordinary		100.00
Xaltia Technology Limited	96 Church Street, Brighton, England, BN1 1UJ	Dormant	Ordinary	100.00	

9 Debtors

	Group 2020	restated 2019	Company 2020	restated 2019
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	961,855	1,320,908	112,707	879,006
Amounts due from group undertakings	1,240,571	-	1,415,917	786,731
Other debtors	14,689	17,170	14,689	17,170
Prepayments and accrued income	145,720	485,879	66,898	111,488
	2,362,835	1,823,957	1,610,211	1,794,395
Deferred tax asset	7,842	86,602	-	77,765
	2,370,677	1,910,559	1,610,211	1,872,160
Amounts falling due after more than one year:				
Other debtors	-	9,320	-	9,320
Total debtors	2,370,677	1,919,879	1,610,211	1,881,480

Amounts remaining as due from group undertakings are in relation to amounts due from parent company, for costs met by Altia Solutions Limited on behalf of Clover Bidco Limited.

10 Creditors: amounts falling due within one year

		Group 2020	restated 2019	Company 2020	restated 2019
		£	**£**	**£**	**£**
Bank loans and overdrafts		-	220,000	-	220,000
Trade creditors		66,194	52,811	38,763	38,207
Amounts due to group undertakings		-	-	495,197	463,587
Corporation tax payable		102,462	141,587	44,896	123,299
Other taxation and social security		600,102	290,750	292,748	189,943
Deferred income	**12**	1,218,529	1,378,787	390,488	717,158
Other creditors		1,589,394	1,705,078	586,883	895,532
		3,576,681	3,789,013	1,848,975	2,647,726

In the prior year bank loans and overdrafts included above were secured by a floating charge and a cross company guarantee.

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

11 Creditors: amounts falling due after more than one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	-	220,000	-	220,000
	-	220,000	-	220,000

Prior year bank loans and overdrafts included above were secured by a floating charge and a cross company guarantee.

12 Deferred income

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other deferred income	1,218,529	1,378,787	390,488	717,158

13 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
	606,574	645,092	111,574	90,092

14 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption available in FRS 102 Section 1A whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

15 Parent Company

The ultimate controlling party is Northedge Capital LLP. The registered office of Northedge Capital LLP is 13th Floor, Number One Spinningfields,1 Hardman Square, Manchester, England, M3 3EB.