

REGISTERED NUMBER: 04633298 (England and Wales)

WISE SOFTWARE (UK) LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)

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FOR THE YEAR ENDED 31 MARCH 2022**

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WISE SOFTWARE (UK) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

DIRECTORS:	Mr D A E Forbes Mr P Smolinski
REGISTERED OFFICE:	3 Cavendish Square London W1G 0LB
REGISTERED NUMBER:	04633298 (England and Wales)
SENIOR STATUTORY AUDITOR:	Roberta Newman BA (Hons) ACA
AUDITORS:	Peters Elworthy & Moore Salisbury House Station Road Cambridge Cambridgeshire CB1 2LA
BANKERS:	National Westminster Bank PLC Lincoln Smiths Branch 225 High Street Lincoln Lincolnshire LN2 1AZ

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their strategic report for the year ended 31 March 2022.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Turnover has increased by 20.93% from £13,959,184 in 2021 to £16,880,918 in 2022.

Administrative and interest expenses have increased by 18.89% going from £8,618,579 in 2021 to in 2022 £10,245,881 primarily due to the increase in wages. This reflects increased commissions and bonuses paid, and pay rises in line with national minimum wage.

Overall profit before tax has increased from £4,944,529 in 2021 to £5,887,939 in 2022.

The company's operations and assets are well diversified and as such the levels of operational and other risks are considered by the directors to be acceptable. The company does not have any material exposure to any high risk market or geographical areas.

The business has adapted quickly and well to the COVID pandemic with minimal cost increases. Most colleagues work from home with only those who are unable, for whatever reason, to work from home working safely in the office whilst in compliance of guidelines that meet or exceed those set by government. Clients have been converted to remote training and remote go lives where possible and requested by the end client with a small percentage of projects postponed and a smaller number of projects cancelled. Sales activity from new and existing clients has been positive with revenue increases seen.

Position at the statement of financial position date

The directors consider the company to be in a solid financial position at the statement of financial position date, with accumulated distributable reserves of approximately £2,872,000.

Management remains mindful of the competitive environment in which the company operates and the need to maintain close control over the company's working capital and financial position.

Borrowings and Risk Management

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations. The company's approach to managing other risks applicable to the financial instruments minimised the risk to a level that the directors consider acceptable.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

PRINCIPAL RISKS AND UNCERTAINTIES

The company is affected by a number of factors, the principal ones of which are:

- The company is exposed to the risk of negative developments in financial markets and the sectors in which it operates, either directly or through the impact on the company's bankers, suppliers or customers. These developments can result in recession, inflation, deflation, restrictions in the availability of credit, impact on demand from customers, problems in the supplier base, increases in financing costs or in the cost of utilities. Such developments might increase operating costs, reduce revenues, lower asset values or result in the business being unable to meet in full its strategic objectives.
- The company operates in a competitive market, and failure to compete effectively in terms of price, product specification and quality can have an adverse effect on demand and / or margins.

The company mitigates risk in several ways:

- The company has in place an organisational structure with clearly defined lines of responsibility and delegation of authority. There are established policies and procedures for the setting of corporate strategies; for information and reporting systems; for systems of operational and financial internal control; for assessment of risk; and for monitoring operations and performance.
- Management and staff at all levels work closely with customers and suppliers to operate as effectively and efficiently as possible, whilst maintaining long term working relationships, innovation and good lines of communication.
- The company operates a recruitment and selection process to ensure employees are experienced and competent in their work. The workforce is trained to be alert, responsive to customer needs, and to operate in line with the company's corporate objectives.

FINANCIAL KEY PERFORMANCE INDICATORS

The company reports on a number of key performance indicators (KPIs) to monitor and manage performance.

In 2021-22 the KPIs were as follows:

- Sales £16.88m v £13.96m
- PBT £5.89m v £4.94m
- Cash £4.97m vs £4.33m

The company also uses certain non- financial indicators, the most significant of which is the number of employees and most importantly their associated skill sets with a strong emphasis wherever possible of developing our people from within the organisation.

FUTURE DEVELOPMENTS

The company's strategy is to continue organic growth using the existing business model.

ON BEHALF OF THE BOARD:

Paul Smolinski

.....
Mr P Smolinski - Director

Date: 31 March 2023
.....

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of writing and selling computer software systems.

DIVIDENDS

An interim dividend of 92,061.44 per share was paid on 31 March 2022. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2022 will be £9,206,144.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in Note 23 to the financial statements.

DIRECTORS

The directors who have held office during the period from 1 April 2021 to the date of this report are as follows:

Mr D G Hallam - resigned 29 July 2022

Mrs R Hallam - resigned 29 July 2022

Mr S C B Ridgley - resigned 29 July 2022

Mrs L Garner-Jones - deceased 17 December 2021

Mr A Liggett - appointed 12 October 2021, resigned 29 July 2022

Mr J A Roberts - appointed 14 October 2021, resigned 29 July 2022

Mr D A E Forbes and Mr P Smolinski were appointed as directors after 31 March 2022 but prior to the date of this report.

CHARITABLE DONATIONS

A total of £8,365 (2021: £3,520) was paid to charities during the period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Paul Smolinski

Mr P Smolinski - Director

Date: 31 March 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WISE SOFTWARE (UK) LIMITED**

Opinion

We have audited the financial statements of Wise Software (UK) Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the related notes, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WISE SOFTWARE (UK) LIMITED

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

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 Auditors' 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.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- Identification of the laws and regulations which were significant in the context of the Company through discussions with management, and from our commercial knowledge and experience of the technology sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, including FRS 102, the Companies Act 2006 and UK taxation legislation, or the Company's operations including data protection, employment and health and safety standards;
- We obtained an understanding of the Company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- Identified laws and regulations were communicated within the audit engagement team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In addressing the risk of fraud through management bias and override of controls we:

- Tested the appropriateness of journal entries and other adjustments;
- Designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings;
- Assessed whether the accounting judgements made in the financial statements were indicative of potential bias; and;
- Evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WISE SOFTWARE (UK) LIMITED**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation; and
- Enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Auditors.

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 a Report of the Auditors 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.

Roberta Newman BA (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
Cambridgeshire
CB1 2LA

Date: 31 March 2023

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
TURNOVER	3	16,880,918	13,959,184
Cost of sales		856,331	980,536
GROSS PROFIT		16,024,587	12,978,648
Administrative expenses		10,220,680	8,599,914
		5,803,907	4,378,734
Other operating income		109,232	582,888
OPERATING PROFIT	5	5,913,139	4,961,622
Interest receivable and similar income	6	1	1,572
		5,913,140	4,963,194
Interest payable and similar expenses	7	25,201	18,665
PROFIT BEFORE TAXATION		5,887,939	4,944,529
Tax on profit	8	953,596	753,552
PROFIT FOR THE FINANCIAL YEAR		4,934,343	4,190,977
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,934,343	4,190,977

The notes form part of these financial statements

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)**STATEMENT OF FINANCIAL POSITION
31 MARCH 2022**

	Notes	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		3,917,555		2,094,111
Investments	11		100		-
			<u>3,917,655</u>		<u>2,094,111</u>
CURRENT ASSETS					
Debtors	12	2,806,888		7,448,799	
Cash at bank		4,967,291		4,329,523	
		<u>7,774,179</u>		<u>11,778,322</u>	
CREDITORS					
Amounts falling due within one year	13	8,655,546		5,847,340	
			<u>(881,367)</u>		<u>5,930,982</u>
NET CURRENT (LIABILITIES)/ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,036,288</u>		<u>8,025,093</u>
CREDITORS					
Amounts falling due after more than one year	14		-		(728,065)
PROVISIONS FOR LIABILITIES					
	18		<u>(163,490)</u>		<u>(152,429)</u>
NET ASSETS			<u>2,872,798</u>		<u>7,144,599</u>
CAPITAL AND RESERVES					
Called up share capital	19		100		100
Retained earnings	20		2,872,698		7,144,499
SHAREHOLDERS' FUNDS			<u>2,872,798</u>		<u>7,144,599</u>

The financial statements were approved the Board of Directors and authorised for issue on 31 March 2023 and were signed on its behalf by:

Paul Smolinski

Mr P Smolinski - Director

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	100	4,953,522	4,953,622
Changes in equity			
Dividends	-	(2,000,000)	(2,000,000)
Total comprehensive income	-	4,190,977	4,190,977
Balance at 31 March 2021	<u>100</u>	<u>7,144,499</u>	<u>7,144,599</u>
Changes in equity			
Dividends	-	(9,206,144)	(9,206,144)
Total comprehensive income	-	4,934,343	4,934,343
Balance at 31 March 2022	<u><u>100</u></u>	<u><u>2,872,698</u></u>	<u><u>2,872,798</u></u>

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. STATUTORY INFORMATION

Wise Software (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and are covered within the accounting policies:

(i) The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and associated impairment provision.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Turnover

Turnover is recognised at the transaction price being the amount of consideration to which the Company expects to be entitled for services provided in the normal course of business during the year. Revenue is shown net of value added tax, discounts and refunds given.

Turnover is recognised upon transfer of control of the promised product and/or services to customers. The Company enters into contracts, which can include combinations of services, support fees and other professional services.

The Company generates revenue principally through the supply of:

- Software licensing - consists of software product license fees. Revenues are recognised up front at a point in time once the customer license has been activated. Licenses offered to customers are offered on a perpetual basis so once the license has been activated the performance obligation is deemed to be satisfied.
- Support services - provision of customer support services for users of OrderWise. Revenues are recognised over time on a straight-line basis over the contractual period.
- Cloud software hosting - provision of a cloud hosting solution for customers using the Company's software. Revenues are recognised over time on a straight line basis over the contractual period.
- Other professional services - consists primarily of consultancy, implementation services and training. Revenue from these services is recognised as the services are performed by the Company's staff.

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 10% on cost
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Robots	- 25% on cost

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitute a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 income statement.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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. Accounts 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.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other administrative expenses.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the income statement unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****2. ACCOUNTING POLICIES - continued****Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the income statement over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Going concern

The directors have assessed the ability of the Company to continue to operate as a going concern based on cash held at the time of approving the financial statements combined with forecasts which reflect continuing strong trading performance, generating significant cash inflows. On the basis of their review the directors are satisfied that the Company will have adequate resources to meet its liabilities as they fall due for the foreseeable future, accordingly they continue to adopt the going concern basis of accounting in preparing these financial statements.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	16,870,103	13,905,827
Europe	10,815	53,357
	<u>16,880,918</u>	<u>13,959,184</u>

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****4. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	6,259,851	5,389,025
Social security costs	676,913	502,131
Other pension costs	204,319	146,138
	<u>7,141,083</u>	<u>6,037,294</u>

The average number of employees during the year was as follows:

	2022	2021
Administration	173	170
Management	3	3
Sales	16	16
	<u>192</u>	<u>189</u>

	2022	2021
	£	£
Directors' remuneration	220,290	-
Directors' pension contributions to money purchase schemes	54,021	-
	<u>274,311</u>	<u>-</u>

Information regarding the highest paid director for the year ended 31 March 2022 is as follows:

	2022
	£
Emoluments etc	<u>88,544</u>

5. OPERATING PROFIT

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

	2022	2021
	£	£
Depreciation - owned assets	175,780	162,657
Loss on disposal of fixed assets	76,728	-
Auditors' remuneration	12,500	12,000
Foreign exchange differences	3,285	22,817
Rent	144,000	149,433
Operating leases	-	75,846
Government grants	-	(454,885)
	<u>301,293</u>	<u>167,828</u>

Government grants represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to cover salaries of furloughed staff.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£	£
Deposit account interest	1	17
Corporation tax interest receivable	-	1,555
	<u>1</u>	<u>1,572</u>

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank loan interest	19,226	18,369
Corporation tax interest	5,975	-
Hire purchase interest	-	296
	<u>25,201</u>	<u>18,665</u>

8. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	1,139,203	959,536
Adjustment re previous years	(196,668)	(190,559)
Total current tax	<u>942,535</u>	<u>768,977</u>
Deferred tax	11,061	(15,425)
Tax on profit	<u>953,596</u>	<u>753,552</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	<u>5,887,939</u>	<u>4,944,529</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,118,708	939,461
Effects of:		
Expenses not deductible for tax purposes	7,066	4,516
Income not taxable for tax purposes	(2,034)	(5,878)
Depreciation in excess of capital allowances	31,087	21,437
Adjustments to tax charge in respect of previous periods	(196,668)	(190,559)
Deferred tax	11,061	(15,425)
Group relief	(15,624)	-
Total tax charge	<u>953,596</u>	<u>753,552</u>

Factors that may affect future tax charges

In the UK Budget Statement on 3 March 2021 the Chancellor announced the intention for corporation tax to rise to a headline rate of 25% from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. The Finance Act 2021, which incorporates this announcement, was substantively enacted on 24 May 2021. Accordingly the deferred tax balances at 31 March 2022 have been measured using a tax rate of 25% (2021 - 19%).

9. DIVIDENDS

	2022	2021
	£	£
Ordinary shares of £1 each		
Interim	<u>9,206,144</u>	<u>2,000,000</u>

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

10. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 April 2021	1,595,663	286,075	647,675
Additions	2,088,300	-	58,583
Disposals	-	-	-
At 31 March 2022	<u>3,683,963</u>	<u>286,075</u>	<u>706,258</u>
DEPRECIATION			
At 1 April 2021	60,325	160,756	466,336
Charge for year	34,007	22,882	44,000
Eliminated on disposal	-	-	-
At 31 March 2022	<u>94,332</u>	<u>183,638</u>	<u>510,336</u>
NET BOOK VALUE			
At 31 March 2022	<u>3,589,631</u>	<u>102,437</u>	<u>195,922</u>
At 31 March 2021	<u>1,535,338</u>	<u>125,319</u>	<u>181,339</u>

	Motor vehicles £	Robots £	Totals £
COST			
At 1 April 2021	117,430	218,687	2,865,530
Additions	-	-	2,146,883
Disposals	(59,500)	(210,824)	(270,324)
At 31 March 2022	<u>57,930</u>	<u>7,863</u>	<u>4,742,089</u>
DEPRECIATION			
At 1 April 2021	24,774	59,228	771,419
Charge for year	20,736	54,155	175,780
Eliminated on disposal	(13,377)	(109,288)	(122,665)
At 31 March 2022	<u>32,133</u>	<u>4,095</u>	<u>824,534</u>
NET BOOK VALUE			
At 31 March 2022	<u>25,797</u>	<u>3,768</u>	<u>3,917,555</u>
At 31 March 2021	<u>92,656</u>	<u>159,459</u>	<u>2,094,111</u>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions	100
At 31 March 2022	<u>100</u>
NET BOOK VALUE	
At 31 March 2022	<u>100</u>

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****11. FIXED ASSET INVESTMENTS - continued**

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

4649A Limited

Registered office: 3 Cavendish Square, London, England W1G 0LB

Nature of business: Other food services

Class of shares:	% holding	2022	2021
Ordinary	100.00	£	£
Aggregate capital and reserves		2,919	14,775
Loss for the year		<u>(11,856)</u>	<u>(3,780)</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	1,869,565	2,940,592
Amounts owed by group undertakings	540,331	4,326,149
Other debtors	-	38,973
Prepayments and accrued income	396,992	143,085
	<u>2,806,888</u>	<u>7,448,799</u>

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

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 15)	-	88,788
Trade creditors	418,968	283,965
Amounts owed to group undertakings	2,568,440	-
Taxation	539,073	844,091
Other taxes and social security	593,457	801,956
Other creditors	11,591	35,050
Accruals and deferred income	4,524,017	3,793,490
	<u>8,655,546</u>	<u>5,847,340</u>

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

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 15)	<u>-</u>	<u>728,065</u>

The loans are repayable in monthly instalments until August 2024 and September 2024, and bear interest at a rate of 1.5% over the bank of England base rate. Details of security over the loans is given in note 16

15. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>-</u>	<u>88,788</u>

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****15. LOANS - continued**

	2022	2021
	£	£
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	90,734
	<u> </u>	<u> </u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	637,331
	<u> </u>	<u> </u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	92,566	72,106
Between one and five years	99,679	63,862
	<u> </u>	<u> </u>
	<u>192,245</u>	<u>135,968</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank loans	-	816,853
	<u> </u>	<u> </u>

Any bank debt arising is secured by a debenture over the company's assets and undertaking.

18. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	163,490	152,429
	<u> </u>	<u> </u>

	Deferred tax
	£
Balance at 1 April 2021	152,429
Provided during year	11,061
	<u> </u>
Balance at 31 March 2022	<u>163,490</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
100	Ordinary	£1	100	100
			<u> </u>	<u> </u>

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022****20. RESERVES**

	Retained earnings £
At 1 April 2021	7,144,499
Profit for the year	4,934,343
Dividends	<u>(9,206,144)</u>
At 31 March 2022	<u><u>2,872,698</u></u>

Retained earnings

Includes all current and prior period retained profits and losses less dividends paid. All amounts are distributable.

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension costs charge represents amounts payable to the fund for the year and amounted to £204,319 (2021: £146,138).

At the statement of financial reporting date contributions outstanding were £Nil (2021: £24,913).

22. RELATED PARTY DISCLOSURES**Entities with control, joint control or significant influence over the entity**

	2022 £	2021 £
Rent	144,000	144,000
Management charges	-	90,000
Licence fee	61,000	94,000
Amount due from related party	-	3,825,302
Amount due to related party	<u>2,568,440</u>	<u>-</u>

Key management personnel of the entity or its parent (in the aggregate)

	2022 £	2021 £
Amount due from related party	<u>-</u>	<u>7,405</u>

Other related parties

	2022 £	2021 £
Rental income	88,000	24,000
Wages recharged	-	41,765
Amount due from related party	<u>538,352</u>	<u>539,820</u>

During the year, a total of key management personnel compensation of £428,296 (2021 - £761,887) was paid.

23. POST BALANCE SHEET EVENTS

On 1 June 2022, the company was acquired by Yellow Castle AB.

WISE SOFTWARE (UK) LIMITED (REGISTERED NUMBER: 04633298)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

24. ULTIMATE CONTROLLING PARTY

Since 1 June 2022 the immediate parent undertaking has been Forterro UK Ltd, a company incorporated in England and Wales, the ultimate parent undertaking and controlling party is Yellow Castle AB, a company registered in Sweden.

The parent undertaking and the Group of which the company was a member during the year and for which group financial statements were prepared was Darabeto Holdings Limited. Copies of the consolidated financial statement can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.