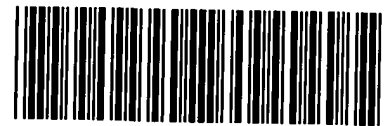


Company Registration No. 09984464 (England and Wales)

**DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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# DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

## COMPANY INFORMATION

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### Directors

D Hook  
C Herzog  
S Leicht  
K Christian Resigned 30 June 2024  
M Diwersy  
F Zeyer Appointed 30 June 2024  
A Mitchell Appointed 30 June 2024

### Secretary

G M Williams Hamer Appointed 28<sup>th</sup> March 2024  
F J Niven Resigned 28<sup>th</sup> March 2024

### Company number

09984464

### Registered office

The Campus  
4 Crinan Street  
London  
N1 9XW

### Auditor

Ernst & Young LLP  
Grosvenor House  
Grosvenor Square  
Southampton  
SO15 2BE

### Bankers

National Westminster Bank Plc  
3 London Street  
Basingstoke  
Hampshire

### Solicitors

Taylor Wessing  
5 New Street Square  
London  
EC4A 3TW

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# DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

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# DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present the strategic and directors' report and financial statements for the year ended 31 December 2023.

### Business Review and future developments

In May 2019 a rationalisation of the wider Digital Science Group corporate structure was undertaken. The aim was for this structure to become more aligned with the way management views and assesses the business. This resulted in a transfer of trade, investments, assets and liabilities from Holtzbrinck Science & Technology Limited to the Company. During 2023 efforts were made to realise synergies from previous reorganisations and to further integrate existing products into the Digital Science portfolio. Future developments are likely to focus on enhancing its AI capabilities to continue to grow revenues across the entire product range.

### Results for the year

The results for the year are set out on page 8 of the financial statements and show a loss for the year, after taxation, of £20,561,080 (2022: £10,744,436).

	2023 £	2022 £	Change %
Revenue	28,010,144	11,382,646	146%
Operating Loss	23,944,427	9,737,030	146%
Current assets	45,273,931	40,266,063	12%
Current liabilities	64,415,551	51,716,625	25%

Key performance indicators for the company are Revenue growth. Revenues have increased by 146% year on year as the business continues to generate solid growth and revenue for internal services rendered to group has been reclassified as revenue in the current year. The increase in operating loss is as a result of investment in additional headcount to drive future revenue growth and the impairment in goodwill, investment and amounts due from subsidiary undertakings. The principal reason for the increase in current assets relates to management of intercompany receivables to optimise net working capital within the Digital Science group.

The statement of financial position on page 9 of the financial statements shows the company's financial position at the end of the year.

### Principal risks and uncertainties

The company's business activities, together with the factors likely to affect its future development, its financial position, and financial risk management objectives, details of its financial instruments and derivatives, and its exposures to competitive, legislative and credit risk are described in the financial statements. The main financial risks to which the company are exposed are as follows:

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Market Conditions

Market conditions are good across the regions in which we operate. Long sales cycles and the scale of new investment required continue to pose challenges, but we have made efforts to mitigate these problems.

The UK market has established as we move into the new forecasting cycle. Clients (and potential clients) are showing a willingness to invest in products that can respond dynamically to the changing regulatory landscape, particularly around open access.

North America represents the largest available market by far, and so we continue to refine our sales and marketing strategy to address the specific need of this market. Additionally, Brexit has continued to create uncertainty across the UK market and will continue to do so until the issue(s) with the EU are finalized.

#### Clients

The company's most significant clients are top-tier research institutions throughout the English-speaking world. Our focus continues to be to target these institutions and develop long-term strategic partnerships with existing clients to help inform the development of the product in a direction that meets the changing needs of the market.

#### Quality assurances

The nature of the business conducted by the organisation involves exposure to quality problems. Management of these risks is critical to the success of the business and is implemented through the adoption and maintenance of operational procedures. The company is accredited with ISO 9001 and manages quality through procedures by the standard.

#### Competitive risk

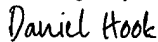
The business of the company is spread across a number of different geographies. We continue to actively expand our product offering and have developed and refined our provision of hosted services. This is enabling the company to spread its risk more evenly.

#### Other

Financial, commercial, operational, social, environmental and ethical risk are all considered in the company's internal control. The company seeks to manage these effective policies, training and awareness programmes.

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

DocuSigned by:



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D Hook

Director

29 August 2024

# DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present their report and financial statements for the year ended 31 December 2023.

### Principal activities

The principal activity of the company is that of a software technology company.

### Results and dividends

The directors do not recommend the payment of a dividend.

### Directors

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

D Hook  
C Herzog  
S Leicht  
K Christian – Resigned 30 June 2024  
M Diwersy  
F Zeyer - Appointed 30 June 2024  
A Mitchell – Appointed 30 June 2024

### Qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK adopted IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**Statement of disclosure to auditor**

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

**Going concern**

In their assessment of Going Concern the directors have given consideration to the impacts of macroeconomic uncertainties on the company's financial position, for which consideration has to be given to the company and its direct subsidiaries collectively referred to as the Digital Science group on the basis that the company controls the resources and cashflows of the subsidiaries, due to the operating structure of the entities in the group.

Due to the structure of the entity there is reliance on intercompany financing for the day to day operations via a central treasury function, the entity also has intercompany loan balances that are repayable on demand. As such the directors have obtained a letter of support from the ultimate parent company  
GVH Vermögensverwaltungsgesellschaft XXXIII mbH. Based on enquiries performed and review of parent company going concern forecasts the directors are confident that the ultimate parent can provide such support for the period to 31 August 2025 which is the formal going concern period assessed by the Directors. On this basis they continue to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2023.

On behalf of the board

DocuSign by:

*David Hook*

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D Hook

Director

29 August 2024

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED**

### **Opinion**

We have audited the financial statements of Digital Science & Research Solutions Limited for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 30, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 August 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **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 and financial statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED**

### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report 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 directors' report.

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**

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

### ***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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our procedures were as follows:

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (UK adopted IFRS and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to UK Anti-bribery act, Competition laws, The Money Laundering (Amendment) Regulations 2012 and Guidelines issued by GDPR.
- We understood how Digital Science & Research Solutions Limited is complying with those frameworks by making enquiries of management, internal legal counsel and those charged with governance. We corroborated our enquiries through our review of board minutes, inspection of the code of conduct and noted that there was no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and assessing revenue as a fraud risk, which could be perpetrated by early recognition of intercompany revenue before a product key has been provided to a customer. Customers are billed by a group company (Digital Science & Research Solutions Inc.) for services provided by Digital Science & Research Solutions Limited with revenue recorded in group company at time of billing. This will be then recharged as revenue to DSRSL on a monthly basis. Due to this, there is a risk that the group company will recognise revenue in advance of providing access keys to customers, thereby inflating the amount of intercompany revenue recharged to DSRSL. Our procedures to address this involved:
  - Understanding the revenue recognition process, policy and how it is applied;
  - We performed audit of revenue at a group level in order to gain assurance over the completeness and accuracy of revenue to be allocated. This included the testing of revenue cut-off at either side of the year by selecting a sample of revenue transactions (including credit notes) and testing whether revenue was recorded in the correct period through agreement to third party evidence validating the passing of control to the customer to confirm the period that the revenue relates to and;
  - Reperformed the calculation of revenue allocation using the details from the agreement;
  - We incorporated data analytics into our testing of manual journals, including segregation of duties, and into our testing of revenue recognition, investigating journals posted to revenue as part of our journal entry testing work.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiries of the management, internal legal counsel and those charged with governance. We also reviewed the board minutes to identify any non-compliance with laws and regulations.

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

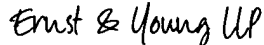
## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

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#### 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.

DocuSigned by:  
  
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Ryan Squires (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Southampton

29 August 2024

**DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Revenue: for external customers		12,019,625	11,382,646
Revenue: for internal services rendered to group		15,990,519	-
<b>Revenue</b>	<b>4</b>	<u>28,010,144</u>	<u>11,382,646</u>
Other operating income		-	100,000
Administrative expenses		(51,954,571)	(21,219,676)
<b>Operating loss</b>	<b>5</b>	<u>(23,944,427)</u>	<u>(9,737,030)</u>
Loss on disposal of investments	14, 15	(694,111)	-
Investment Income	8	6,439,613	541,996
Finance costs	9	(4,427,550)	(1,873,692)
<b>Loss before taxation</b>		<u>(22,626,475)</u>	<u>(11,068,726)</u>
Income tax credit	10	2,065,395	324,290
<b>Total comprehensive loss for the year</b>		<u>(20,561,080)</u>	<u>(10,744,436)</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		2023	2022
	Note	£	£
<b>Non-current assets</b>			
Right-of-use assets	11	658	237,529
Property, Plant and Equipment	12	258,110	307,001
Investments	13,14	53,348,543	39,283,355
Intangibles	13	9,882,127	17,163,789
		<u>63,489,438</u>	<u>56,991,674</u>
<b>Current assets</b>			
Trade and other receivables	16	44,408,315	39,090,701
Cash and cash equivalents	25	865,617	1,175,362
		<u>45,273,931</u>	<u>40,266,063</u>
<b>Total assets</b>		<u>108,763,370</u>	<u>97,257,737</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Called up share capital	22	66,351	66,351
Share premium account	23	57,571,558	57,571,558
Merger reserve	24	4,052,774	4,052,774
Accumulated losses		(56,531,629)	(35,970,549)
<b>Total equity</b>		<u>5,159,054</u>	<u>25,720,134</u>
<b>Non-current liabilities</b>			
Lease liabilities	19	-	-
Other payables	18	39,188,765	19,820,978
<b>Total non-current liabilities</b>		<u>39,188,765</u>	<u>19,820,978</u>
<b>Current liabilities</b>			
Trade and other payables	18	64,415,550	51,489,697
Lease liabilities	19	1	226,928
<b>Total current liabilities</b>		<u>64,415,551</u>	<u>51,716,625</u>
<b>Total equity and liabilities</b>		<u>108,763,370</u>	<u>97,257,737</u>

The financial statements were approved by the Board of directors and authorised for issue on 29 August 2024

Signed on its behalf by:

DocuSigned by:

*Daniel Hook*

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D Hook

Director

Company Registration No. 09984464

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium account	Merger Reserve	Accumulated Losses	Total
	£	£	£	£	£
<b>Balance at 1 January 2022</b>	66,351	57,571,558	4,052,774	(25,226,113)	36,464,570
Loss and total comprehensive loss for the year	-	-	-	(10,744,436)	(10,744,436)
Issue of share capital					
<b>Balance at 31 December 2022</b>	66,351	57,571,558	4,052,774	(35,970,549)	25,720,134
<b>Balance at 1 January 2023</b>	66,351	57,571,558	4,052,774	(35,970,549)	25,720,134
Loss and total comprehensive loss for the year	-	-	-	(20,561,080)	(20,561,080)
Issue of share capital	-	-	-	-	-
<b>Balance at 31 December 2023</b>	66,351	57,571,558	4,052,774	(56,531,629)	5,159,054

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	Notes	£	£
<b>Cash flows used in operating activities</b>			
Cash used in operations	29	(8,276,900)	(4,794,556)
Interest paid		1,835,809	(11,228)
<b>Net cash used in operating activities</b>		<u>(6,441,091)</u>	<u>(4,805,784)</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(152,074)	(162,355)
Purchase of intangibles		-	(102,124)
Investment in subsidiaries		(14,777,549)	(605,327)
Disposal of investments		(694,111)	1,148,160
Dividend income		5,627,212	-
<b>Net cash from/(used in) investing activities</b>		(9,996,522)	278,354
<b>Financing activities</b>			
Payment of principal portion of lease liabilities		(226,927)	(287,784)
Drawdown on intercompany borrowing facilities		16,354,798	5,288,016
<b>Net cash from financing activities</b>		<u>16,127,871</u>	<u>5,000,232</u>
<b>Net increase / (decrease) in cash and cash</b>		(309,744)	472,802
Cash and cash equivalents at beginning of the year		1,175,361	702,560
Cash and cash equivalents at end of the year		<u>865,617</u>	<u>1,175,362</u>

# DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Authorisation of financial statements and statement of compliance with IFRSs

#### Company information

Digital Science & Research Solutions Limited is a limited liability company incorporated in England and Wales and domiciled in the United Kingdom.

#### Accounting convention

The financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006.

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

### 2 Material accounting policy information

#### Going concern

In their assessment of Going Concern the directors have given consideration to the impacts of macroeconomic uncertainties on the company's financial position, for which consideration has to be given to the company and its direct subsidiaries collectively referred to as the Digital Science group on the basis that the company controls the resources and cashflows of the subsidiaries, due to the operating structure of the entities in the group.

Due to the structure of the entity there is reliance on intercompany financing for the day to day operations via a central treasury function, the entity also has intercompany loan balances that are repayable on demand. As such the directors have obtained a letter of support from the ultimate parent company GvH Vermögensverwaltungsgesellschaft XXXIII mbh. Based on enquiries performed and review of parent company going concern forecasts the directors are confident that the ultimate parent can provide such support for the period to 31 August 2025 which is the formal going concern period assessed by the Directors. On this basis they continue to adopt the going concern basis of accounting in preparing the year ended 31 December 2023.

#### Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

#### Non-current investments

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

# DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 2 Material accounting policy information (continued)

#### **Fair value measurement**

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

#### **Cash and cash equivalents**

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

#### **Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

#### **Loans and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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

Financial assets, other than those at FVTPL, 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 of the investment have been affected.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 2 Material accounting policy information (continued)

##### 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 inventories or non-current 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.

##### Retirement benefits

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

##### 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 are included in the income statement for the year.

##### New Standards adopted in the year

The company has adopted the following new and amended IFRS and IFRIC standards and interpretations during the year, mandatory as at 1 January 2022 unless otherwise stated. Adoption of these revised standards and interpretations did not have any material impact on the company's financial statements.

Amendments to IAS 16	Property, Plant and Equipment
Amendments to IAS 37	Onerous contracts
Amendments to IFRS 9	Financial Instruments
Amendments to IAS 41 Agriculture	Agriculture
Amendments to FRS 3	Reference to the Conceptual Framework

IASB have issued the following standards and interpretations with an effective date after the date of these financial statements:

Standard or interpretations	Title
<b>Effective from 1 January 2023</b>	
IFRS 17	Insurance contracts
IAS 8	Definition of Accounting Estimates
Amendments to IAS 1	Classification of liabilities as Current or Non-current
Amendments to IAS 1 & IFRS practice	Disclosure of Accounting Policies

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the year of initial application.

The effective dates stated here are those given in the original IASB/IFRIC standards and interpretations. As the company prepares its financial statements in accordance with UK adopted IFRS in conformity with the requirements of the Companies Act 2006, the application of new standards and interpretations will be subject to their having been endorsed for use in the UK via the UK endorsement body. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the company's discretion to early adopt standards.

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 3 Significant accounting judgements, assumptions and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **Intercompany Loan**

The Company has loan financing in place from its parent company Holtzbrinck Investment Limited. These loans have been in place since 2015, are repayable on demand, but roll over annually on 29 December each year. The directors have an expectation at the yearend that the loan will be rolled over for another 12 months in line with past practices and as such present the outstanding balance as a non-current liability. A parent company support letter is obtained each year confirming continued support for the entity for a period of at least 12 months from the date of signing of the financial statements, which further supports the treatment of this balance as long-term in nature.

#### **Impairment of non-financial assets**

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

We have elected to apply value in use as the recoverable amount as there is no active market to determine the fair value of investments and goodwill. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets being tested. The recoverable amount is sensitive to the expected future cash-inflows. The key assumptions used to determine the recoverable amount, including sensitivity analysis are disclosed and further explained in Note 13.

#### **Cost of investment in subsidiary or associate acquired in stages**

The Company has investments acquired in stages. The cost of these investments are accounted for under accumulated cost approach as the entity is purchasing the additional interest while retaining the initial interest. As a result, the cost of investment will be determined as the consideration paid for the initial interest, plus any consideration paid for the additional interest.

# DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 4 Revenue

Revenue recognised in the Statement of comprehensive income is as follows:

	2023 £	2022 £
Revenue: for external customers	12,019,625	11,382,646
Revenue: for internal services rendered to group entities	15,990,519	-
	<u>28,010,144</u>	<u>11,382,646</u>

Revenue: for external customers attributable to geographical markets outside the United Kingdom amounted to £12,019,625 (2022: £11,382,646).

<b>Analysis of external revenue:</b>	2023 £	2022 £
Rendering of services	<u>12,019,625</u>	<u>11,382,646</u>

The Company identified in the prior year financial statements, there was a netting of £6.5m of income within Administrative expenses that should have been recorded within revenue (the equivalent value in 2023 is £16m and is disclosed within 'Revenue: for internal services rendered to group entities'). Management concluded that this (incorrect) netting in prior year was qualitatively immaterial since the presentation does not impact the decisions of the users of the financial statements and management's KPI including external revenue and profit before tax are not affected. On this basis, a prior year restatement is not required. Going forward and in the current year financial statement the associated cost remains within administrative expenses, however the income is now correctly shown separately, within revenue as disclosed above.

### 5 Operating loss

	2023 £	2022 £
Operating loss for the year is stated after charging:		
Exchange (Gain)/loss	(79,688)	350,859
Fees payable to the company's auditor for the audit of the company's financial	<u>96,841</u>	<u>122,665</u>

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 6 Employees

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
The average number of monthly employees	225	116
	<u>225</u>	<u>116</u>

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	20,338,498	14,360,202
Social security costs	2,760,989	1,796,715
Pension costs	958,579	679,614
	<u>24,058,066</u>	<u>16,836,531</u>

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 7 Directors' remuneration

	2023 £'000	2022 £'000
Remuneration for qualifying services	646,844	587,500
Phantom share option plan expense	1,684,901	698,441
Company contribution to defined contribution pension scheme	38,960	14,725

#### Directors accruing benefits under

	2023 Number	2022 Number
Defined benefit pension schemes		-
Defined Contribution pension schemes	2	4
Phantom share option plan	2	2

#### Highest paid director

	2023 £'000	2022 £'000
Emoluments and other benefits	322,000	307,500
Company contribution to defined contribution pension scheme	20,187	4,000

This individual had accrued pension at the year-end relating to the defined benefit scheme of £Nil (2022: £nil).

Phantom share option plan was adopted during 2020. The plan gives a participant the right to receive a bonus based on certain contracted calculations, depending on the manner in which the option will be exercised, subject to the satisfaction of certain conditions and continued employment. Under this plan, phantom options in respect of a total of 944 (2022: 944) notional shares in the Company were granted to two (2022: two) Directors of the Company. The expense of £1,684,901 (2022: £698,441) was recognised in the current year, which represents the portion of the total bonus receivable by Directors, attributable to 2023, calculated based on the most likely method of exercise, expected exercise date and expected future value of the bonus at that time, discounted to year end date. The total expected payment will be recognised over the service period until exercise date.

#### 8 Investment income

	2023 £	2022 £
Other interest income	812,402	541,996
Income from investment	5,627,211	-
	<u>6,439,613</u>	<u>541,996</u>

Income from investment relates to the dividend income of £5m (2022: £Nil) that was received from Digital Science UK Limited and £627,212 (2022: £Nil) from CC Technology Limited.

#### 9 Finance costs

	2023 £	2022 £
Other interest payable	4,427,550	1,873,692

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

<b>10</b>	<b>Income tax credit</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Tax credit on the income statement</b>		
	Current income tax:		
	Current income tax	(1,943,187)	(969,967)
	Adjustments in respect of current income tax of previous years	(122,208)	645,677
	<b>Total current income tax</b>	<u>(2,065,395)</u>	<u>(324,290)</u>
	Deferred income tax:		
	Relating to origination and reversal of temporary differences	-	-
	Relating to change in tax rates	-	-
	<b>Total deferred income tax</b>	<u>-</u>	<u>-</u>
	<b>Income tax credit reported in income statement</b>	<u>(2,065,395)</u>	<u>(324,290)</u>

#### Reconciliation of the total tax credit

The credit for the year can be reconciled to the loss per the income statement as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Loss before taxation	<u>(22,626,475)</u>	<u>(11,068,726)</u>
Expected tax credit based on a corporation tax rate of 23.5% (19%)	(5,317,222)	(2,103,058)
Income not subject to corporation tax	(2,184,794)	(226,450)
Expenses not deductible in determining taxable profit	4,529,337	349,811
Unutilised tax losses carried forward	1,029,491	2,301,084
Adjustments in respect of prior years	(122,207)	(645,677)
<b>Tax credit for the year</b>	<u>(2,065,395)</u>	<u>(324,290)</u>

Further information on the effect of taxes in future years can be seen in Note 20.

# DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 11 Right-of-use assets

	Land and buildings £
<b>Cost</b>	
At 1 January 2023	1,184,356
Additions	-
	<u>1,184,356</u>
At 31 December 2023	<u>1,184,356</u>
<b>Accumulated depreciation and impairment</b>	
At 1 January 2023	946,827
Charge for the year	236,871
	<u>1,183,698</u>
At 31 December 2023	<u>1,183,698</u>
<b>Carrying amount</b>	
At 31 December 2022	237,529
At 31 December 2023	<u>658</u>

### 12 Property, plant and equipment

	Office Equipment £
<b>Cost</b>	
At 1 January 2023	701,006
Additions	152,074
Disposals	-
	<u>853,080</u>
At 31 December 2023	<u>853,080</u>
<b>Accumulated depreciation and impairment</b>	
At 1 January 2023	394,005
Charge for the year	200,965
	<u>594,970</u>
At 31 December 2023	<u>594,970</u>
<b>Carrying amount</b>	
At 31 December 2022	307,001
At 31 December 2023	<u>258,110</u>

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 13 Intangibles

	Intangibles £	
<b>Cost</b>		
At 1 January 2023		414,004
Additions		-
		<u>414,004</u>
At 31 December 2023		414,004
<b>Accumulated amortisation</b>		
At 1 January 2023		334,876
Charge for the year		11,094
		<u>345,970</u>
At 31 December 2023		345,970
<b>Carrying amount</b>		
At 31 December 2022		79,128
At 31 December 2023		<u>68,035</u>
	<b>2023</b>	<b>2022</b>
	£	£
Goodwill	<u>9,814,093</u>	<u>17,084,661</u>

In 2017 the Company acquired the trade and assets of Symplectic Limited and Altmetric LLP. The Company has recognised a goodwill of £14,261,658, as result of this acquisition.

In 2021 as part of a group reorganisation, the trade and assets of subsidiary CC Technology Limited were transferred into the company. A goodwill of £2,823,002 (representing the goodwill created at group level on the original acquisition) with the balance of £1,279,241 being recorded within equity.

During 2023 an impairment was recognised against Goodwill of £7,270,568.

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 13 Intangibles (continued)

The Company assesses goodwill for impairment on an annual basis. The Company also assesses all significant investments in subsidiaries and amounts due from subsidiary undertakings for indicators of impairment on an annual basis and performs impairment testing by calculating recoverable amounts relating to the specific component and comparing it to the carrying value of these assets, if required. In the current year, a discounted cashflow forecast was prepared for the impairment assessment of investments, amounts due from subsidiary undertakings and goodwill. The discounted cash flow calculation is based on the forecast period of 5 years from the balance sheet followed by terminal value. It was concluded that impairment needs to be recognised: in respect of goodwill for Symplectic Limited and Figshare LLP (£6.1m) and DS GmbH (£1.2m), in respect of investment in Thinglab Ltd (£0.7m) and in respect of amounts due from Digital Science & Research Solutions Inc. (£3.2m).

#### **Symplectic Limited and Figshare LLP:**

Investments in Symplectic Limited and Figshare LLP, including associated goodwill and receivable from Figshare LLP are tested for impairment on a combined basis, as they represent the smallest group of assets that generate cash inflows that are largely independent of cash inflows from other assets and groups of assets ("cash generating unit" or "CGU"). This includes investment value of £4.5m, associated goodwill of £11m and receivable amounts due of £5.7m totalling up to £21.2m.

The recoverable amount of the CGU of £ 15.2 million as of 31 December 2023 has been determined based on discounted cash flow projections covering a five-year period followed by a terminal value. The post-tax discount rate applied to cash flow projections is 13.1% and cash flows beyond the five-year period are extrapolated using a 3.0% growth rate.

As a result of this analysis, management have recognised an impairment charge of £6,064,905 against goodwill during the year. The impairment charge is recorded within administrative expenses in the statement of profit or loss. The need for impairment has arisen due to the continued investment and development of Digital Science group products and the increase in discount factor. As such the value invested to date in these underlying portfolio investments exceeds the current recoverable amounts. This position is expected while the Digital Science group continues to invest with the aim of achieving profitability in future years.

The calculation of recoverable amount is most sensitive to the following assumptions.

- The revenue CAGR in the forecast period is 9.5%. A decrease of 1% will lead to additional impairment of £0.6m.
- Cost CAGR as a percentage of revenue CAGR in the forecast period is 34.8%. An increase of 0.5% will lead to additional impairment of £0.1m.
- Terminal growth rate is 3%. A decrease of 0.5% will lead to additional impairment of £0.5m.
- Discount rate used is 13.1%. An Increase of 0.5% will lead to additional impairment of £0.8m.

#### **DS GmbH:**

For the purpose of impairment testing of Investment in DS GmbH, the investment of £11.5m is combined with associated goodwill of £2.8m and receivable due from DS GmbH of £6.5m.

The recoverable amount of the CGU of £ 19.6 million as of 31 December 2023 has been determined based on discounted cash flow projections covering a five-year period followed by a terminal value. The post-tax discount rate applied to cash flow projections is 13.1% and cash flows beyond the five-year period are extrapolated using a 3.0% growth rate.

As a result of this analysis, management have recognised an impairment charge of £1,205,665 against goodwill during the year. The impairment charge is recorded within administrative expenses in the statement of profit or loss. The need for impairment has arisen due to the continued investment and development of Digital Science group products and the increase in discount factor. As such the value invested to date in these underlying portfolio investments exceeds the current recoverable amounts. This position is expected while the Digital Science group continues to invest with the aim of achieving profitability in future years.

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## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 13 Intangibles (continued)

The calculation of recoverable amount is most sensitive to the following assumptions.

- The revenue CAGR in the forecast period is 26.8%. A decrease of 1% will lead to additional impairment of £1.3m.
- Cost CAGR as a percentage of revenue CAGR in the forecast period is 60.9%. An increase of 0.5% will lead to additional impairment of £2.2m.
- Terminal growth rate is 3%. A decrease of 0.5% will lead to additional impairment of £1.5m.
- Discount rate used is 13.1%. An increase of 0.5% will lead to additional impairment of £2.2m.

#### **Thinglab Ltd:**

The recoverable amount of investment in Thinglab Ltd of £8.9 million as of 31 December 2023 has been determined based on discounted cash flow projections covering a five-year period followed by a terminal value. The post-tax discount rate applied to cash flow projections is 13.1% and cash flows beyond the five-year period are extrapolated using a 3.0% growth rate.

As a result of this analysis, management have recognised an impairment charge of £712,000 during the year (refer to note 14). The impairment charge is recorded within administrative expenses in the statement of profit or loss. The need for impairment has arisen due to the continued investment and development of Digital Science group products and the increase in discount factor. As such the value invested to date in these underlying portfolio investments exceeds the current recoverable amounts. This position is expected while the Digital Science group continues to invest with the aim of achieving profitability in future years.

The calculation of recoverable amount is most sensitive to the following assumptions.

- The revenue CAGR in the forecast period is 27.2%. A decrease of 1% will lead additional impairment of £0.3m.
- Cost CAGR as a percentage of revenue CAGR in the forecast period is 113.9%. An increase of 0.5% will lead additional impairment of £0.1m.
- Terminal growth rate is 3%. A decrease of 0.5% will lead additional impairment of £0.3m.
- Discount rate used is 13.1%. An increase of 0.5% will lead additional impairment of £0.5m.

#### **Digital Science & Research Solutions Inc.**

For the purpose of impairment testing of Investments in Digital Science & Research Solutions Inc. ("DSRSI"), the investment of £5.1m is combined with receivable due from DSRSI of £4.8m.

The recoverable amount of the CGU of £ 7.7 million as of 31 December 2023 has been determined based on discounted cash flow projections covering a five-year period followed by a terminal value. The post-tax discount rate applied to cash flow projections is 13.1% and cash flows beyond the five-year period are extrapolated using a 3.0% growth rate.

The recoverable amount of the CGU of £ 7.7 million as of 31 December 2023 has been compared to the carrying value of the CGU of £12.7m, which includes investment of £5.1m, receivable due from DSRSI of £4.8m in Company's books, plus receivable of £2.8m due from DSRSI to another entity within the Group structure.

As a result of this analysis, management have recognised an impairment charge of £4,953,786 in respect of DSRSI CGU, which was proportionally split as follows: £3,150,786 against receivable from DSRSI in Company's books (refer to note 16), £1,803,000 against receivable from DSRSI in the books of another entity within the Group structure. The impairment charge is recorded within administrative expenses in the statement of profit or loss. The need for impairment has arisen due to the continued investment and development of Digital Science group products and the increase in discount factor. As such the value invested to date in these underlying portfolio investments exceeds the current recoverable amounts. This position is expected while the Digital Science group continues to invest with the aim of achieving profitability in future years.

The calculation of recoverable amount is most sensitive to the following assumptions.

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## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 13 Intangibles (continued)

- The revenue CAGR in the forecast period is 11.5%. A decrease of 1% will lead to additional impairment of £0.4m in Company's books.
- Cost CAGR as a percentage of revenue CAGR in the forecast period is 37%. An increase of 0.5% will lead to additional impairment of £0.1m in Company's books.
- Terminal growth rate is 3%. A decrease of 0.5% will lead to additional impairment of £0.1m in Company's books.
- Discount rate used is 13.1%. An Increase of 0.5% lead to additional impairment of £0.5m in Company's books.

For all other investments, goodwill and amounts due from subsidiary undertakings, the recoverable amount exceeded the carrying amounts for all assets tested. The following changes in key assumptions, each calculated with the other assumptions held constant, would lead to a situation where the value in use would equate to the carrying amount (breakeven assumption).

#### Altmetrics 2015 Limited:

- The revenue CAGR in the forecast period is 9.3%. The breakeven assumption is 7.8%.
- Cost CAGR as a percentage of revenue CAGR in the forecast period is 62.6%. The breakeven assumption is 64.7%.
- Terminal growth rate is 3%. The breakeven assumption is 2%.
- Discount rate used is 13.1%. The breakeven assumption is 13.8%.

#### Ontochem GmbH:

- The revenue CAGR in the forecast period is 13.3%. The breakeven assumption is 7.1%.
- Cost CAGR as a percentage of revenue CAGR in the forecast period is 19.4%. The breakeven assumption is 35.9%.

#### 14 Investments

		2023	2022
		£	£
	<b>Note</b>		
Investments in subsidiaries	15	53,326,380	38,573,192
Investments in associates		-	688,000
Loans as investments		22,163	22,163
		<u>22,163</u>	<u>22,163</u>

During the year the Company acquired the remaining share capital of its associate investment Thinglab Ltd, for a consideration of £9.6m. As a result this investment was reclassified from Investments in associates (28.44% ownership) to investments in subsidiaries (100% ownership). An impairment of £712,361 was recognised against this investment.

During the year 100% share capital in Ontochem GmbH was acquired for a consideration of £6,376,415.

There was also a disposal of investments in subsidiary, CC Technology Limited, during the year following the dissolution of this company. As result of this, a loss of £0.7m was recognised in the statement of comprehensive income.

Since 2016, there is a balance of £165,000 recognised annually as 15% interest, based on £1.1m contribution of DSRSL to Figshare LLP. This balance is added to the cost of investment of Figshare.

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 15 Subsidiaries

Details of the company's principal subsidiaries at 31 December 2023 are as follows:

	Country of incorporation (or residence)	Proportion of ownership	Proportion of voting power held (%)	Nature of business
ThinQLab Ltd	England and Wales	100.00%	100.00%	Software services
Figshare LLP	England and Wales	100.00%	50.00%	Software services
Digital Science & Research Solutions	USA	100.00%	100.00%	Software services
DS Digital Science GmbH GmbH	Germany	100.00%	100.00%	Software services
Altmetric 2015 Limited	England and Wales	100.00%	100.00%	Software services
Altmetric LLP*	England and Wales	100.00%	100.00%	Software services
Digital Science & Research SRL	Romania	100.00%	85.00%	Software development
Digital Science UK Limited	England and Wales	100.00%	-	Software services
Digital Science & Research Pty Limited	Australia	100.00%	-	Software services
CC Technology Limited**	Scotland	100.00%	-	Software development
OntoChem GmbH	Germany	100.00%	-	Software services

\*Shares held by subsidiary undertakings

\*\* Company dissolved on 6<sup>th</sup> February 2024

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 15 Subsidiaries (continued)

Investments in the following companies are stated as follows:

	Intercompany holdings (%)	Cost	Impairment	Net
Figshare LLP	100.00%	4,503,939	-	4,503,939
Altmetric 2015 Limited	100.00%	2,782,134	-	2,782,134
Digital Science & Research Solutions Inc	100.00%	5,101,094	-	5,101,094
DS Digital Science GmbH	100.00%	11,500,542	-	11,500,542
Digital Science & Research SRL	100.00%	38,858	-	38,858
Digital Science UK Limited	100.00%	14,031,741	-	14,031,741
Digital Science & Research PTY Limited	100.00%	91,000	-	91,000
Thinqlab Ltd	100.00%	9,613,018	712,361	8,900,657
OntoChem GmbH	100.00%	6,376,415	-	6,376,415
<b>Total</b>		<b>54,038,741</b>	<b>712,361</b>	<b>53,326,380</b>

The investments in subsidiaries are all stated at cost. The investments were tested for impairment during the period. See Notes 13 and 14 for the results.

During the year Ontochem GmbH was acquired for a consideration of £6,376,415. Additionally, the investment in Thinqlab Ltd increased from 28.44% to 100%.

The subsidiary CC Technology Limited was dissolved during the year, this resulted in a loss on disposal of subsidiaries of £694,111.

#### 16 Trade and other receivables

	2023 £	2022 £
Trade receivables	-	6,981
Other receivables	149,624	246,817
Amounts due from subsidiary undertakings	43,560,337	38,296,271
Amounts due from fellow group undertakings	-	498
Prepayments	698,354	540,134
	<u>44,408,315</u>	<u>39,090,701</u>

Included within amounts due from subsidiary undertakings are loans repayable from the subsidiary undertakings with an aggregate value of £34,869,934 (2022: £29,285,653). These loans are interest bearing and repayable on demand. The interest rates range from 5.78% to 7.04%. Other receivables from related parties amounting to £11,841,189 (2022: £9,011,115) are not interest bearing and repayable on demand, an impairment of £3,150,786 has been recognised against this receivable balance.

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 17 Trade receivables - credit risk

##### Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

#### 18 Trade and other payables

	2023	2022
	£	£
<b>Current</b>		
Trade payables	581,390	644,686
Amounts due to parent company	3,788,530	3,788,530
Amounts due to subsidiary undertakings	48,683,434	40,352,883
Amounts due to fellow group undertakings	3,955,955	2,780,276
Accruals and deferred revenue	3,269,334	2,560,645
Social security and other taxation	6,505	6,505
Other payables	4,130,402	1,356,172
	<u>64,415,550</u>	<u>51,489,697</u>

Included within amounts due to related parties are loans payable to parent company and subsidiary undertakings with an aggregate value of £51,477,377 (2022: £35,534,054). These loans are interest bearing and repayable on demand. The interest rates range from 5.78% to 7.04%. Other amounts due to related parties amounting to £4,950,541 (2022: £11,387,635), are not interest bearing and repayable on demand.

Included within other payables is the contingent consideration for the acquisition of Thinglab Ltd of £2m. The contingency is based on milestone and annual recurring revenue for December 2024 as forecasted on 31 December 2023.

	2023	2022
	£	£
<b>Non-current</b>		
Amounts due to parent company	33,376,763	15,785,741
Amounts payable under long term incentive plans	5,812,002	4,035,237
	<u>39,188,765</u>	<u>19,820,978</u>

Amounts due to parent company are interest bearing and repayable on 30 December 2026. The interest rates range from 7.5% to 10%.

Amounts payable under long term incentive plans includes, £5,333,326 (2022: £3,648,425) relating to share option liabilities. The remaining £478,675 relates to other long term incentive plans.

**DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023****19 Lease liabilities**

	2023 £	2022 £
Current	1	226,927
Non-current	-	1
	<u>1</u>	<u>226,928</u>

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 31 December 2023 is as follows:

	2023 £'000	2022 £'000
Minimum Lease Payments:		
Within one year	1	230,073
After one year but not more than five years	-	-
More than five years	-	-
	<u>1</u>	<u>230,073</u>
Finance charges:		
Within one year	-	3,145
After one year but not more than five years	-	-
More than five years	-	-
	<u>-</u>	<u>3,145</u>
Present Value of payments:		
Within one year	1	226,928
After one year but not more than five years	-	-
More than five years	-	-
	<u>1</u>	<u>226,928</u>

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 20 Deferred taxation

There is no deferred tax asset or liability recognised in the accounts of the company. Deferred tax balances are calculated at the latest enacted rate of 25%. There is an un-recognised deferred tax asset in the company which is compromised as follows

	2023 £	2022 £
Tax losses	(8,024,861)	(6,557,348)
	<u>(8,024,861)</u>	<u>(6,557,348)</u>

This deferred tax asset is not recognized due to the losses incurred by the company in the current year, and the uncertainty as to exactly when the carried forward deferred tax assets will be available for use against future taxable profits.

#### Factors affecting future tax charges

The UK Spring Budget 2023 announcements on 23 March 2023 confirmed an increase to the UK's main corporation tax rate to 25%, which is effective from 1 April 2023. These changes did not have a material impact on the company's/group's deferred tax balances.

#### 21 Retirement benefit schemes

##### Defined contribution schemes

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

The total costs charged to income in respect of defined contribution plans is £958,579, (2022: £679,614).

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

22 Share capital	2023	2022
	£	£
<b>Ordinary share capital</b>		
<i>Issued and fully paid</i>		
66,351 Ordinary shares of £1 each	66,351	66,351
	<u>66,351</u>	<u>66,351</u>

23 Share premium account	£
At 1 January 2023	57,571,558
Issue of new shares	-
	<u>57,571,558</u>
At 31 December 2023	<u>57,571,558</u>

24 Merger reserve	£
At 1 January 2022	4,052,774
Issue of new shares	-
At 31 December 2022	4,052,774
At 1 January 2023	4,052,774
Issue of new shares	-
	<u>4,052,774</u>
At 31 December 2023	<u>4,052,774</u>

In previous years, 657 additional shares were issued as part of the consideration for acquiring the remaining share capital in Figshare LLP with a total value of £2,016,306 and 664 additional shares were issued as part of the consideration for acquiring the remaining share capital in Digital Science UK Limited with a total value of £2,037,789. An amount of £2,015,649 and £2,037,125 were recognised in a merger reserve in relation to these transactions.

#### 25 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2023	2022
	£	£
Cash and bank balances	<u>865,617</u>	<u>1,175,362</u>

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 26 Capital risk management

The Company's principal financial instruments comprise related party borrowings, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Company's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the company's financial instruments are foreign currency risk, credit risk, interest rate risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

##### *Foreign currency risk*

The company is exposed to foreign exchange risk in a number of currencies, principally the US Dollar and the Euro.

The company operates with in foreign management policies agreed with the company's ultimate holding company.

##### *Credit risk*

Credit risk is the risk that a counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities and from its financing activities, foreign exchange transaction and other financial instruments.

##### *Trade receivables*

Customer credit risk is managed subject to the company's established policy, procedures and control relating to customers' credit risk management. Formal credit limits are in place for all major customers. It is not the company's policy to enter into credit insurance arrangements due mainly to restriction on countries covered and the cost of arranging insurance cover. However, the company's historic bad debt experience has been low.

##### *Interest rate risk*

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's long-term debt obligations. All of the Company's long term debt obligations are funded through the company's ultimate holding company. Banking facilities at the level of the company are arranged mainly by means of uncommitted credit facilities in order to manage the Company's working capital funding requirements. Management of the interest rate exposure on long-term debt obligation is undertaken at the level of the Company's ultimate holding company.

The sensitivity to a reasonable possible change in interest rates, with all other variables, held constant of the company's profit before tax (through the impact of floating rate borrowings) has been tested, but as the effect was immaterial this has not been disclosed.

##### *Liquidity risk*

Long-term Company's financial facilities are arranged at the level of the company's ultimate holding company. The company arranges adequate short and medium-term liquidity through its immediate and ultimate holding companies to fund forecast working capital requirements.

The Company's financial liabilities as at 31 December 2023, detailed in note 18, are expected to be settled within 1 year.

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 27 Related party transactions

At the year end, the company had the following balances with related parties:

	Loans receivable		Trade receivables	
	2023	2022	2023	2022
	£	£	£	£
Altmetric 2015 Limited	5,126,510	4,831,440	-	-
Digital Science & Research Solutions Inc	16,549,299	16,020,500	4,145,275	3,929,692
Digital Science & Research SRL	216,883	221,769	44,737	39,892
Digital Science & Research Pty Ltd	517,943	-	-	-
DS Digital Science GmbH	8,647,831	6,267,036	305,126	312,001
Holtzbrinck Science & Technology Limited	-	-	152,489	152,489
Digital Science UK Limited	3,132,203	1,109,921	1,993,045	140,468
Biodata Inc	-	-	498	498
Figshare LLP	679,266	834,987	5,084,812	4,436,075
OntoChem GmbH	-	-	16,182	-
Metaphacts GmbH	-	-	99,024	-
	<u>34,869,935</u>	<u>29,285,653</u>	<u>11,841,188</u>	<u>9,011,115</u>

	Loans payable		Trade payables	
	2023	2022	2023	2022
	£	£	£	£
Digital Science & Research Solutions Inc	15,691,755	10,547,515	155,139	6,874,130
Digital Science & Research SRL	-	-	65,995	468,035
Holtzbrinck Science & Technology Limited	3,788,530	3,788,530	846	846
CC Technology Limited	-	628,211	-	-
Macmillan Publishers international Limited	3,861,529	2,762,564	21,070	38,039
Altmetric LLP	6,541,323	6,204,826	-	-
Georg von Holtzbrinck GmbH & Co. KG	-	-	73,356	24,953
DS Digital Science GmbH	2,355,571	-	81,679	98,755
Digital Science & Research Pty Limited	-	-	368,431	537,381
Digital Science & Research Spain S.L	-	-	322,497	-
Digital Science UK Limited	22,353,613	14,993,183	-	-
Holtzbrinck Investment Limited	33,376,763	15,735,961	-	-
OntoChem GmbH	9,186	-	-	-
Metaphacts GmbH	737,399	-	-	-
	<u>88,715,669</u>	<u>54,660,790</u>	<u>1,089,013</u>	<u>8,042,139</u>

An impairment of £3,150,786 has been recognised against the receivable balance with Digital Science & Research Solutions Inc.

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 27 Related party transactions (continued)

The Company had the following transactions with related parties:

	Revenue		Other income		Interest income	
	2023	2022	2023	2022	2023	2022
Digital Science and Research Solutions Inc	12,005,645	11,164,437	9,141,381	3,150,385	148,502	80,222
Digital Science UK Limited	-	-	5,564,151	2,383,308	-	-
Figshare LLP	-	-	1,169,781	956,522	219,279	196,264
OntoChem GmbH	-	-	16,184	-	-	-
Metaphacts GmbH	-	-	99,024	-	-	-
DS Digital Science GmbH	-	-	-	-	175,429	58,449
Digital Science & Research SRL	-	-	-	-	5,302	5,302
Altmetric 2015 Ltd	-	-	-	-	263,432	140,401
	<u>12,05,645</u>	<u>11,164,437</u>	<u>15,990,521</u>	<u>6,490,215</u>	<u>811,944</u>	<u>480,638</u>

	Other expenses		Interest expense	
	2023	2022	2023	2022
Digital Science and Research Solutions Inc	1,561,344	1,230,037	786,043	279,575
Digital Science UK Limited	-	-	1,436,835	428,866
OntoChem GmbH	-	-	9,186	-
Georg Von Holtzbrinck GmbH & Co KG	183,352	258,033	-	-
Macmillan Publishers International Ltd	868,986	833,519	-	-
Digital Science & Research SRL	727,826	564,224	-	-
Digital Science & Research PTY Ltd	743,860	481,324	-	-
Digital Science & Research Spain S.L	320,567	-	-	-
DS Digital Science GmbH	96,838	201,445	-	-
Altmetric LLP	-	-	356,530	190,020
Holtzbrinck Investment Limited	-	-	1,835,809	964,004
	<u>4,502,773</u>	<u>3,568,582</u>	<u>4,424,403</u>	<u>1,862,465</u>

Dividend income of £5m (2022: £Nil) was received from Digital Science UK Limited and £627,212 (2022: £Nil) from CC Technology Limited.

## DIGITAL SCIENCE & RESEARCH SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

#### 28 Controlling party

The company's immediate parent undertaking is Holtzbrinck Science & Technology Limited which holds 88% of the issued share capital of the company. The Address of their registered office is The Campus, 4 Crinan Street, London, United Kingdom, N1 9XW.

The company's ultimate parent undertaking and controlling party is Georg von Holtzbrinck GmbH & Co KG, a German partnership.

Georg Von Holtzbrinck GmbH & Co KG is the parent undertaking of the largest group of undertaking of which the company is a subsidiary undertaking for which group financial statements are prepared.

#### 29 Cash used in operations

	2023 £	2022 £
Loss for the year	(20,561,080)	(10,744,436)
<b>Adjustments for:</b>		
Finance income	(812,402)	(541,996)
Finance costs	4,427,550	1,873,692
Depreciation	200,965	171,531
Depreciation on right-of-use assets	236,871	236,871
Amortisation of intangibles	11,094	105,601
Dividend income	(5,627,212)	-
Loss on disposal of investments	694,111	-
Impairment of Goodwill	7,270,569	-
Impairment of investments	712,361	-
<b>Movements in working capital:</b>		
Increase in trade and other receivables	(4,505,212)	(10,852,298)
Increase/(Decrease) in trade and other payables	9,675,485	14,956,480
<b>Cash used in operations</b>	<b>(8,276,900)</b>	<b>(4,794,556)</b>

#### 30 Post balance sheet events

There were no material or significant events which occurred subsequent to the year end.