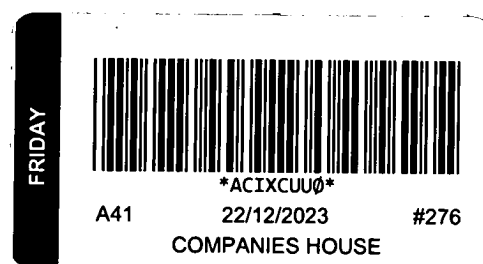


Registered Number : 03387095

Abacus Software Limited

Report and Financial Statements

Year Ended 31 December 2022



Abacus Software Limited

Annual report and financial statements for the year ended 31 December 2022

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Directors: Scott Roessler
Jeff Neunsinger

Registered office: 5 Brayford Square
London
E1 0SG

Registered number: 03387095

Auditors: Crowe UK LLP
Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

Abacus Software Limited

Strategic report for the year ended 31 December 2022

Principal activity and performance review

Abacus Software Limited enables content owners to successfully transform digital strategy into digital business. We help organisations to realise their digital potential by developing great content, maximising audience engagement and monetising their content. Abacus Software has effectively moved away from its heritage as a bespoke project web development agency supporting multiple different instances of custom codebases, to now running shared services around a common cloud based SaaS platform.

Key performance indicators

The directors consider revenue, operating profit and cash balances to be key performance indicators for the business. Abacus Software continues to build upon its history and market position for the benefit and future of its customers by investing in product development to ensure our customers can increase digital engagement and achieve a return on their investment in technology. Whilst we have continued to add customers and have increased recurring revenues, professional services for projects have continued to be slow due to economic conditions resulting in revenues of £4.1m for the current year compared with £4.3m for 2021. Our continued tight cost control has meant that the company was able to mitigate this small reduction in revenue and deliver an operating profit similar to last years.

On 2 March 2022, the share capital of the immediate parent company Urdgrup Limited was acquired by Naviga UK 1 Limited, a subsidiary of Naviga, Inc. a company registered in USA. The global footprint of Naviga will provide the company with new opportunities to sell its products overseas and ensure it is well placed to grow both turnover and profitability in the future.

Cash balances have reduced as excess funds are transferred to other entities in the Naviga group.

Principal risks and uncertainties

Financial risk management objectives and policies

The Company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below. The main risks arising from the Company's financial instruments are currency risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Currency risk

The Company is exposed to translation and transaction foreign exchange risk. The Company does not adopt a prescribed policy to eliminate currency exposures but does purchase US dollars to hold for the purpose of settling these liabilities from time to time when rates are favourable. Foreign exchange differences on retranslation of liabilities in currencies other than sterling are taken to the profit and loss account of the Company.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company's policy throughout the year has been to achieve this objective through management's day to day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

Credit risk

The Company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises, therefore, from trade debtors. In order to manage credit risk, management set limits for customers based on a combination of payment history and third-party credit references; credit limits are reviewed by the financial controller on a regular basis in conjunction with debt ageing and collection history.

Abacus Software Limited

Strategic report for the year ended 31 December 2022

Going concern

The company is reliant on the support from the parent entity, Naviga Intermediate Holdings LLC to continue as a going concern and as a result the directors have been provided with a letter of support. The directors understand that the parent entity has every intention to continue to support the company however accepts that there cannot be complete certainty over this for reasons outlined below.

As at 31 December 2022, the parent company, Naviga Intermediate Holdings LLC, anticipated being unable to make certain of its scheduled 2023 payments outlined in the 2017 Syndicated Debt Agreement. The parent company's business plan for 2023 contemplates a recapitalisation of the parent company to resolve this concern. The parent company management is planning for the recapitalisation to be completed in fiscal year 2023. Until this plan has been fully executed, management has concluded that there is significant doubt about the parent company's ability to continue as a going concern for the foreseeable future, being 12 months after the date the financial statements are issued.

Since the company is reliant on the continual support of the parent entity, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Despite the material uncertainty, the directors continue to adopt the going concern basis of accounting in preparing the financial statements given the company continues to meet its day to day working capital needs from the cash available. The directors closely monitor performance and cash flows and are confident that these will be managed effectively and therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

By order of the Board

DocuSigned by:


002098BEF8A740E..
Scott Roessler

Director

Date: 15 December 2023

Abacus Software Limited

Report of the Directors for the year ended 31 December 2022

The Directors present their report and financial statements of the company for the year ended 31 December 2022.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable laws 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) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company taken as a whole, together with a description of the principal risks and uncertainties that they face.

Directors

The directors of the company during the period were:

JP Neunsinger	Appointed 2 March 2022
SE Roessler	Appointed 2 March 2022
F Amaro	Resigned 2 March 2022
A Bird	Resigned 2 March 2022
S Cave	Resigned 2 March 2022
M B Durham	Resigned 2 March 2022
I J Eckert	Resigned 2 March 2022
S Feigen	Resigned 2 March 2022
J D G Willis	Resigned 2 March 2022

Results and dividends

The results for the company are set out on page 9. The directors do not recommend a dividend for the year (2021 - £nil).

Risks

The directors have chosen to disclose the principal and financial risks of the company in the strategic report on page 2.

Directors' liabilities

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.

Abacus Software Limited

Report of the Directors for the year ended 31 December 2022

Disclosure of information to the auditors

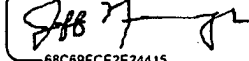
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of Auditors

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the Board

DocuSigned by:



68C69FC62E24415
Jeff Neunsinger

Director

Date: 15 December 2023

Abacus Software Limited

Independent auditor's report to the members of Abacus Software Limited

Opinion

We have audited the financial statements of Abacus Software Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 December 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw attention to note 2.2 in the financial statements which indicates that Abacus Software Limited is reliant upon the support from its parent entity to continue as a going concern, and the directors have received confirmation that they will have this support for the foreseeable future, however, there cannot be complete certainty over the parent's ability to provide continued support. As stated in note 2.2 these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 the directors' report have been prepared in accordance with applicable legal requirements.

Abacus Software Limited

Independent auditor's report to the members of Abacus Software Limited

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 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 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and UK taxation legislation.

We identified the greatest risk of material impact on the financial statement from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to these risks included enquiries with management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks include sample testing revenue throughout the period and deferred revenue as at year end, agreeing to supporting documentation and reviewing revenue received either side of the year end to ensure this has been recognised correctly.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.


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 auditor's report.

Abacus Software Limited

Independent auditor's report to the members of Abacus Software Limited

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.



Christine Dobson (Senior statutory auditor)
For and on behalf of Crowe U.K. LLP
Statutory Auditor
Reading
Date: 19 December 2023

Abacus Software Limited**Statement of comprehensive income for the year ended 31 December 2022**

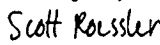
	Note	2022 £'000	2021 £'000
Turnover	5	4,118	4,267
Cost of sales		(508)	(456)
Gross profit		3,610	3,811
Administrative expenses		(3,610)	(3,792)
Operating profit	6	-	19
Interest payable and similar charges	9	-	(1)
Profit on ordinary activities before taxation		-	18
Tax on profit on ordinary activities	10	-	140
Profit for the financial period		-	158
Other comprehensive income		-	-
Total comprehensive income for the financial period		-	158
Profit for the financial period attributable to:			
Owners of the parent company		-	158
Total comprehensive income for the financial period attributable to:			
Owners of the parent company		-	158


Abacus Software Limited**Statement of financial position at 31 December 2022**

Company number : 03387095

	<u>Note</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Fixed assets			
Intangible assets	11	-	-
Tangible assets	12	8	13
Fixed asset investments	13	-	-
		<u>8</u>	<u>13</u>
Current assets			
Debtors: amounts falling due within one year	14	1,379	878
Cash at bank and in hand		<u>112</u>	<u>90</u>
		<u>1,491</u>	<u>968</u>
Creditors: amounts falling due within one year	15	<u>(5,107)</u>	<u>(1,076)</u>
Net current liabilities		<u>(3,616)</u>	<u>(108)</u>
Total assets less current liabilities		<u>(3,608)</u>	<u>(95)</u>
Creditors: amounts falling due after more than one year	16	-	(3,513)
Net liabilities		<u>(3,608)</u>	<u>(3,608)</u>
Capital and reserves			
Called up share capital	18	1	1
Profit and loss account	20	<u>(3,609)</u>	<u>(3,609)</u>
		<u>(3,608)</u>	<u>(3,608)</u>

These financial statements were approved and authorised for issue by the Board on 15 December 2023.

DocuSigned by:

 Scott Roessler
 Director

DocuSigned by:

 Jen Neunsinger
 Director

Abacus Software Limited

Statement of changes in equity for the year ended 31 December 2022

	<u>Called-up share capital £'000</u>	<u>Profit and loss account £'000</u>	<u>Total £'000</u>
At 1 January 2021	1	(3,767)	(3,766)
Profit for period	-	158	158
At 31 December 2021	<u>1</u>	<u>(3,609)</u>	<u>(3,608)</u>
Profit for year	-	-	-
At 31 December 2022	<u>1</u>	<u>(3,609)</u>	<u>(3,608)</u>

Abacus Software Limited

Notes to the financial statements for the year ended 31 December 2022

1. COMPANY INFORMATION

Abacus Software Limited is a private limited company incorporated in England and Wales, registered number 03387095. The address of its registered office is 5 Brayford Square, London E1 0SG. The principal activity of the company is the supply of technology and services to enable its customers to maximise audience engagement and monetise their content.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest thousand (£'000).

2.1 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of Naviga UK (Holdings) Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

2.2 Going concern

The company is reliant on the support from the parent entity, Naviga Intermediate Holdings LLC to continue as a going concern and as a result the directors have been provided with a letter of support. The directors understand that the parent entity has every intention to continue to support the company however accepts that there cannot be complete certainty over this for reasons outlined below.

As at 31 December 2022, the parent company, Naviga Intermediate Holdings LLC, anticipated being unable to make certain of its scheduled 2023 payments outlined in the 2017 Syndicated Debt Agreement. The parent company's business plan for 2023 contemplates a recapitalisation of the parent company to resolve this concern. The parent company management is planning for the recapitalisation to be completed in fiscal year 2023. Until this plan has been fully executed, management has concluded that there is significant doubt about the parent company's ability to continue as a going concern for the foreseeable future, being 12 months after the date the financial statements are issued.

Since the company is reliant on the continual support of the parent entity, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Despite the material uncertainty, the directors continue to adopt the going concern basis of accounting in preparing the financial statements given the company continues to meet its day to day working capital needs from the cash available. Despite the large intercompany creditor balances, for which the support of the parent entity is required, the directors closely monitor performance and cash flows to ensure these will be managed effectively.

The financial statements do not include any adjustments which may arise in the event that the parent company was not a going concern.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

3.1 Impairment of debtors

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 historical experience, credit worthiness and ageing profile of the debtors.

Abacus Software Limited

Notes to the financial statements for the year ended 31 December 2022

4. PRINCIPAL ACCOUNTING POLICIES

4.1 *Intangible assets*

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquired company at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life of ten years.

Estimates of the useful economic life of goodwill are based on a variety of factors, such as the expected use of the acquired business. The expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Internal software development costs do not meet the conditions required to recognise as an intangible asset so are charged to the statement of comprehensive income as incurred. Software purchased is measured at cost less any accumulated amortisation and any accumulated impairment losses.

4.2 *Tangible assets*

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives using the straight line method. It is calculated using the following rates:

Fixtures and fittings and equipment – 4-5 years

4.3 *Investments*

Investments in unlisted company shares; have been classified as fixed asset investments as the Company intends to hold them on a continuing basis. These are valued at market value, at each balance sheet date. Gains and losses on revaluation are recognised in the profit or loss for the period.

4.4 *Debtors*

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

4.5 *Cash and cash equivalents*

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

4.6 *Creditors*

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next three months. The provision is measured at the salary cost payable for the period of absence and is included in accruals.

4.7 *Leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lease asset to the group. All other assets are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term, unless rental payments are structured to increase in line with expected inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Abacus Software Limited

Notes to the financial statements for the year ended 31 December 2022

4.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4.9 Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

4.10 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense is presented in the statement of comprehensive income or equity depending on the transaction that resulted in the tax expenses. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets with debtors.

4.11 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added or local sales taxes. The Company derives revenue from licensing its software products and providing related services including consulting, installation, training, development and maintenance, consisting of product support and periodic updates.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. For subscription contracts, including licence, support and hosting, the Company defers recognition of revenue over the period of the subscription as the Company has an obligation to provide these ongoing services to the buyer over a fixed time period.

Revenue not recognised in the statement of comprehensive income is classified as deferred revenue in the statement of financial position.

4.12 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Abacus Software Limited**Notes to the financial statements for the year ended 31 December 2022****4.13 Foreign currency translation**

Transactions in currencies other than the functional currency of the individual entities are translated at the rates ruling when they occurred. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates ruling at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Statement of Comprehensive Income in the period in which they arise.

5. <u>TURNOVER</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
<i>Turnover analysed by geographical markets:</i>		
United Kingdom	3,995	4,147
Rest of World	123	120
	<u>4,118</u>	<u>4,267</u>
<i>Turnover analysed by category:</i>		
Services	739	1,053
Annual contracted revenues	3,379	3,214
	<u>4,118</u>	<u>4,267</u>

6. <u>OPERATING PROFIT</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
<i>Operating profit is stated after:</i>		
Audit fees and other fees payable to the company's auditor are paid by the parent company and included in the consolidated financial statements of the parent company.		
Amortisation	-	18
Foreign exchange losses	3	5
Operating lease rentals – property	138	175

7. <u>EMPLOYEES</u>	<u>2022</u> <u>Number</u>	<u>2021</u> <u>Number</u>
<i>The average number of employees, including executive directors, was as follows:</i>		
Sales, support and development	46	53
Administration	3	5
	<u>49</u>	<u>58</u>

	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
<i>Staff costs for all employees, including executive directors, consist of:</i>		
Wages and salaries	2,893	2,698
Social security costs	284	287
Pension costs – defined contribution	69	82
	<u>3,246</u>	<u>3,068</u>

Abacus Software Limited**Notes to the financial statements for the year ended 31 December 2022**

8. DIRECTORS	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Directors' emoluments	104	594
Pension contributions	4	23
Emoluments of the highest paid director	<u>29</u>	<u>158</u>

No directors (2021: 5) had benefits accruing under a defined contribution pension scheme. The directors are also directors or officers of other companies within Naviga Inc group. These directors' services to the company do not occupy a significant amount of their time. As such these directors do not consider that they receive any remuneration for their incidental services to the company for the year ended 31 December 2022.

9. INTEREST PAYABLE	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Bank loans and overdrafts	<u>-</u>	<u>1</u>

10. TAXATION ON PROFIT FROM ORDINARY ACTIVITIES	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
UK corporation tax – credit for period	-	(140)
Adjustment in respect of prior years	-	-
Current tax credit	-	(140)
Deferred tax	-	-
Tax on results on ordinary activities	<u>-</u>	<u>(140)</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2021:19%). The differences are explained as follows:

Profit on ordinary activities before tax	<u>-</u>	<u>19</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2021 – 19%)	-	4
Net adjustment in respect of expenses and deductions for tax purposes	(17)	1
Deferred tax not recognised	-	(32)
Other adjustments	<u>17</u>	<u>(113)</u>
Tax on results on ordinary activities	<u>-</u>	<u>(140)</u>

Factors affecting future tax charges

At 31 December 2022 the Company has £1,108,000 (2021 £1,282,000) of unrecognised tax losses carried forward. The March 2021 budget announced that the standard rate of corporation tax will increase from 19% to 25% from 1 April 2023 for companies with profits in excess of £250,000.

11. INTANGIBLE ASSETS	<u>Goodwill</u> <u>£'000</u>
<i>Cost</i>	
At 1 January 2022 and At 31 December 2022	235
<i>Amortisation and impairment</i>	
At 1 January 2022 and At 31 December 2022	(235)
<i>Net book value</i>	
At 1 January 2022 and At 31 December 2022	<u>-</u>

Abacus Software Limited**Notes to the financial statements for the year ended 31 December 2022**

	<u>Fixtures, Fittings and equipment £'000</u>
12. TANGIBLE ASSETS	
<i>Cost</i>	
At 1 January 2022	29
Additions	5
Disposals	(22)
At 31 December 2022	<u>12</u>
<i>Depreciation</i>	
At 1 January 2022	16
Provision for period	5
Eliminated	(17)
At 31 December 2022	<u>4</u>
<i>Net book value</i>	
At 31 December 2022	<u>8</u>
At 31 December 2021	<u>13</u>
13. FIXED ASSET INVESTMENTS	<u>Total £'000</u>
<i>Cost</i>	
At 1 January 2022 and at 31 December 2022	33
<i>Impairment</i>	
At 1 January 2022 and at 31 December 2022	(33)
<i>Net book value</i>	
At 31 December 2021 and at 31 December 2022	<u>-</u>
14. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR	<u>2022 £'000</u>
Trade debtors	1,107
Other debtors	16
Corporation tax	140
Amounts owed by group undertakings	74
Prepayments and accrued income	42
	<u>1,379</u>
	<u>2021 £'000</u>
	602
	25
	140
	-
	110
	<u>878</u>

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

Abacus Software Limited**Notes to the financial statements for the year ended 31 December 2022**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Trade creditors	74	240
Other taxes and social security	257	206
Amounts owed to group undertakings	4,017	-
Accruals and deferred income	759	620
Bounce back loan	-	10
	<u>5,107</u>	<u>1,076</u>

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

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Amounts owed to group undertakings	-	3,478
Bounce back loan	-	35
	<u>-</u>	<u>3,513</u>

A long-term bounce back loan of £50,000 was obtained during the pandemic; a supportive loan from the government to assist cash flow - payable over six years from its anniversary date in July 2021. The loan was repaid in full in March 2022.

17. DEFERRED TAXATION	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
<i>The movement in the deferred taxation account during the period was:</i>		
At 1 January 2022	-	-
Charge during the period	-	-
At 31 December 2022	<u>-</u>	<u>-</u>

A deferred tax asset £294,000 (2021 £320,000) relating to trading losses carried forward has not been recognised as the recoverability of the asset is not sufficiently certain.

18. SHARE CAPITAL	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
<i>Authorised, allotted, called up and fully paid</i>		
75,000 A ordinary shares of £0.01 each	1	1
25,000 B ordinary shares of £0.01 each	-	-
	<u>1</u>	<u>1</u>

19. SHARE BASED PAYMENT	<u>2022</u>	<u>2021</u>
<i>Equity-settled</i>		
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price at grant date (pence)	0.049p	0.049p
Exercise price (pence)	1.05p	1.05p
Weighted average contractual life (years)	10	10
Expected volatility	25%	25%
Expected dividend growth rate	-	-
Risk-free interest rate	<u>0.72%</u>	<u>0.72%</u>

Abacus Software Limited**Notes to the financial statements for the year ended 31 December 2022**

The Black-Scholes option pricing model was used to value the share-based payment awards as it was considered that this approach would result in materially accurate estimate of the fair value of options granted. The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years of comparable publicly quoted Companies. No amount was charged to the accounts in both years as the amount was not material. No options were granted or exercised and all options were surrendered during the year.

20. RESERVES

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

21. LEASING COMMITMENTS

<u>2022</u>	<u>2021</u>
<u>£'000</u>	<u>£'000</u>

At the end of the period the company had future minimum lease payments under non-cancellable operating leases for land and buildings as below:

Within one year	47	130
Between one and five years	-	59
	<u>47</u>	<u>189</u>

22. FINANCIAL INSTRUMENTS

<u>2022</u>	<u>2021</u>
<u>£'000</u>	<u>£'000</u>

Financial assets measured at amortised cost	<u>1,309</u>	<u>718</u>
Financial liabilities measured at amortised cost	<u>4,850</u>	<u>4,373</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by group undertakings and cash at bank.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and deferred income, amounts owed to group undertakings and bounce back loan.

23. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments at 31 December 2022 or 31 December 2021.

There were no contingent liabilities at 31 December 2022 or 31 December 2021.

24. PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The immediate parent company is Urdgrup Limited, a company incorporated in England & Wales. At the period end the largest group in which the results of the company are consolidated is that headed by Newscycle Intermediate Holdings LLC, a company incorporated in the United States of America. At the period end the smallest group in which the results of the company are consolidated is that headed by Naviga UK (Holdings) Limited, a company incorporated in England & Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House. The ultimate controlling party is Robert Smith by virtue of his control of Vista Equity Partners LLC.