

CUSTOMER SYSTEMS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JANUARY 2022



Company no 03509265

CUSTOMER SYSTEMS LIMITED

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CUSTOMER SYSTEMS LIMITED

GROUP STRATEGIC REPORT

For the year ended 31 January 2022

CHAIRMAN'S REVIEW (Steve Austen)

Filing of Consolidated Group Accounts vs Individual Company Accounts

Last year, on a one-off basis, the company chose to prepare and file an individual company set of accounts for Customer Systems Ltd, whereas previously the company had filed consolidated accounts for the group of companies of which it was the parent. This was a transitional measure as we moved from being a plc to a normal limited company and as we moved to not having our accounts externally audited. From this report onwards we are reverting to our normal practice of filing consolidated group accounts. As a result, these accounts are not directly comparable with those published in the previous year, but comparability from year to year will resume for future years. Our accounts will not be externally audited from now on.

About the Company and its Subsidiaries

Customer Systems Limited is the parent company of the Customer Systems group and its subsidiaries are OnTheMove Software Limited and Customer Systems UK Limited. Customer Systems International, Inc. is an indirect subsidiary, incorporated in the USA, and wholly owned by OnTheMove Software Limited. This US subsidiary does business under the name "OnTheMove Software".

The Customer Systems group provides software product solutions and highly specialised implementation consulting alongside suppliers of leading application software packages.

The group's historical business, which was primarily one of providing implementation consulting for other people's software products, has been largely eclipsed (and deliberately so) by its newer business connected with its own software products.

The sale of the group's licensed software and its associated services is conducted via the subsidiary OnTheMove Software Ltd and the employees of this subsidiary together own 16.6% of its shares. Customer Systems Ltd is now simply a holding company.

A small amount of business which is more typical of the group's older consulting-orientated business model has, for the past few years, been transacted through Customer Systems UK Ltd, which is the group's other subsidiary and is effectively the other arm of the group. However we are increasingly channelling this business through OnTheMove Software Ltd. Once Customer Systems UK Ltd has no remaining business, it will be removed from the group through solvent liquidation.

The group continues to invest in research and development of its main product, OnTheMove, which brings mobile device access and a superior modern user experience to corporate transaction and database systems. Early sales of OnTheMove were made into environments where the main enterprise system involved was the Siebel CRM package from Oracle Corporation, which was the foundation of the group's original consulting business. However, the group has now successfully widened out the nature of its business and reduced, to a significant degree, its dependence on this specific market.

During the year, I personally bought the shares of a number of minority shareholders at a price of 10 pence per share. The objective was to reduce the administrative costs associated with having so many shareholders on the register. The effect of this was to roughly halve the size of the share register which now has 32 shareholders.

Performance

On reduced revenues, we produced a significantly higher post tax profit.

Group revenues for the period were £1.090m compared to £1.231m in the previous year: a decrease of 11.5%.

CUSTOMER SYSTEMS LIMITED

GROUP STRATEGIC REPORT

For the year ended 31 January 2022

Group pre-tax profit for the period was £115,716: a reduction of 0.29% from £116,049 in the previous year. However, after tax group profit for the year was 13.25% higher at £145,815 (previous year: £128,752). After deducting profit attributable to minority interests, the after tax profit attributable to shareholders of the holding company was 11.99% higher at £122,063 (previous year: £108,998). Earnings per share attributable to shareholders of the holding company were 1.06 pence (previous year: 0.94 pence).

The minority or non-controlling interests referred to above result from officers and employees of OnTheMove Software Ltd being allowed to purchase shares in that subsidiary. Our profits after tax remain higher than our profits before tax due to R&D tax credits.

The group balance sheet remains very strong with a cash balance at the end of the period of £ 0.54m. Net assets at the end of the period were £0.57m and there was a surplus of current assets over current liabilities which amounted to £0.55m. These figures apply to the group as a whole including minority interests.

Dividends/Capital Distribution

A group dividend of 0.5 pence per share net was paid in the period amounting to a total of £57,705.77. By comparison, in the previous year, no dividend was paid but the company made a one-off capital distribution of 0.999 pence per share.

MANAGING DIRECTOR'S REVIEW OF SUBSIDIARY ACTIVITIES (Duncan Scattergood)

Our OnTheMove business is contained within a simple corporate group comprising OnTheMove Software Limited and its US subsidiary. OnTheMove revenues were 11.03% lower at £1.085m (previous year: £1.220m). Profit before tax for OnTheMove was 7.60% higher at £112,495 (previous year: £104,550) and profit after tax was 20.24% higher at £143,084 (previous year: £119,001). Our customer base continues to be geographically diverse and split across a range of sectors.

At year end, the net asset value of OnTheMove increased to £350,872 (previous year: £277,788). OnTheMove paid a dividend of £70,000 during the year (previous year: no dividend paid), and has declared a dividend, shortly after the year end, of £70,000 (the latter of which is not shown in the accounts which follow). This still means that there has been a healthy increase in the net asset value and further reduction in the dependence of OnTheMove on its parent company for capital.

The revenue figure is a little disappointing but we are buoyed by the increased profitability, which demonstrated the sustainability of the business we are creating. The nature of our business, selling to major corporations, is that we are dependent on a relatively small number of big deals. In the final few months of the year, we suffered from some project deferrals by new and existing customers which affected the results. At the time of writing, we are optimistic that those deals will close in the coming weeks giving us a positive start to the new year. An upside of working with these major corporations is that, once they commit, they tend to be customers for many years, so a delay of a few months in a project is less significant in the long term compared to whether the customer actually commits or not.

We made some further in-roads into the clinical trials market place where the primary enterprise application is not Siebel, and we continue to believe in the potential of this area and we have some good prospects that would make a large difference to our revenue streams from this market.

We invested heavily in our products in the course of the year with a key theme across multiple streams of activity of simplifying the implementation process for new customers. In the short term, this will support sales and reduce some ongoing operating costs in our existing markets but, in the mid-term, we believe that these developments will allow us to target some fundamentally new markets.

Nothing is ever certain in business, but we feel enthusiastic about the way our customers see real value in what we do

CUSTOMER SYSTEMS LIMITED

GROUP STRATEGIC REPORT

For the year ended 31 January 2022

for them and our ability to persuade more prospects of the benefits of OnTheMove. Therefore, we look ahead with confidence.

PRINCIPAL RISKS AND UNCERTAINTIES

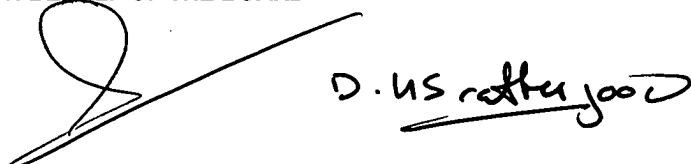
The principal risks associated with the business of the group can generally be summarised as follows:

1. The risk of not selling sufficient business at a sufficient price
2. The risk of costs rising so as to exceed the revenues
3. The risk of not recruiting sufficient numbers of the right capability of staff
4. The risk of failing to deliver what we have promised to our customers
5. The risk of losing key personnel
7. Risks associated with legal actions
8. Risks associated with the acts of governments and their agents

At this stage in the development of the group's business, the most important factor in mitigating our risks is to achieve new orders for our software product, OnTheMove.

The Covid-19 pandemic has had no serious direct effects on our business, since we generally supply our work product electronically, and generally receive payment electronically. However, it obviously has some effect on business confidence and we feel this has had some impact on our business in the period in question and could continue to do so if it takes a long time for normality to be restored.

ON BEHALF OF THE BOARD



Mr S N Austen
Mr DK Scattergood
Directors
08 March 2022

CUSTOMER SYSTEMS LIMITED

REPORT OF THE DIRECTORS

Company registration number: 3509265

The directors present their report together with the unaudited financial statements for the year ended 31 January 2022.

PRINCIPAL ACTIVITIES

The principal activity of the group is to provide software product solutions and associated implementation consulting to extend the functionality of leading application software packages. The group's main focus is in the areas of customer relationship management (CRM) systems and clinical trial systems.

DIRECTORS

The present membership of the board is set out below.

The interests of the directors and their families in the shares of the company as at 31 January 2022 and 1 February 2021 were as follows:

	31 January 2022	1 February 2021
	0.001p ordinary shares	0.001p ordinary shares
Mr S N Austen	11,137,961	10,699,085
Mr D K Scattergood	10,000	10,000
Mr A J Prowse	-	-

MATTERS COVERED IN THE STRATEGIC REPORT

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires a strategic report to be prepared. Where mandatory disclosures in the directors' report are considered by the directors to be of strategic importance, these have been included in the strategic report rather than the directors' report.

CUSTOMER SYSTEMS LIMITED

REPORT OF THE DIRECTORS

Company registration number: 3509265

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD



Mr S N Austen
Director
08 March 2022

CUSTOMER SYSTEMS LIMITED

PRINCIPAL ACCOUNTING POLICIES

GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Stylus House, London Road, Bracknell, RG12 2UT.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Financial Reporting Standard 102, there are no material departures from that standard. The presentation currency is pounds sterling.

The company's principal accounting policies have remained unchanged from the previous year and are set out below. The directors have reviewed the accounting policies adopted by the group and consider them to be the most appropriate.

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date, and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of the company and of its subsidiary undertakings (see note 5). The financial statements of each undertaking in the group have been prepared to 31 January 2022.

REVENUE

Turnover is the total amount receivable by the company for services provided, excluding VAT.

Revenue derived from support contracts is credited to the profit and loss account over the period to which the contract relates.

Revenue recognition relating to the sale of the group's own software products occurs at the point of delivery in the case of production software sold in such a manner that the obligation to supply is discharged simply by this delivery. However, where there is an inseparable obligation to modify this software for the client's specific needs, or to deliver additional services without which the standard product would be of no value to the client, then revenue recognition is phased in stages across the delivery process.

Revenue in relation to the rental of software products is credited to the profit and loss account at the start of the contractual rental period following software delivery, provided that receipt of associated fees is considered probable. Revenue and costs relating to any unbilled completed consultancy days undertaken on a time and materials basis are recognised in the profit and loss account in the period in which they occur. Such unbilled revenue amounts are shown as accrued income on the balance sheet.

CUSTOMER SYSTEMS LIMITED

PRINCIPAL ACCOUNTING POLICIES

REVENUE (CONTINUED)

Revenue related to fixed price contracts, which are still in progress, is normally calculated by multiplying the percentage completion of the contract by the contract value, as long as the progress and the likely outcome can be assessed with a reasonable degree of certainty and accuracy. Percentage completion, for this purpose, is calculated as the value of effort expended to date divided by the total value of effort anticipated to be required from start to completion. Value of effort, for this purpose, is calculated using notional daily billing rates which reflect the relative values of the different seniorities of the consultants used and of the consultants anticipated to be needed for future work. This revenue calculation is applied to the contract as a whole, except where different parts of the contract are more accurately seen as operating independently of one another, in which case the calculation is applied separately to each part of the contract.

DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected economic useful lives.

The rates generally applicable are:

Plant, fixtures and fittings	The greater of 20% or the rate determined by fully depreciating over the remaining term of the associated building lease
Computer equipment	33% - 50%

FIXED ASSET INVESTMENTS

Fixed asset investments are included at cost.

DEFERRED TAXATION

Deferred tax liabilities are recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future have occurred by the balance sheet date. Deferred tax assets are not normally recognised because it is not normally possible to predict with a high level of probability when utilisation will become possible, and in some cases, it is not possible to predict with a high level of probability that they will be able to be utilised at all. However, provision is made for deferred tax assets where the company has an option to utilise them immediately and the company has decided not to exercise this option at this time but the decision not to utilise them immediately does not remove the right to use them in the future at a time that the company elects. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

FOREIGN CURRENCY TRANSACTIONS

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

CUSTOMER SYSTEMS LIMITED

PRINCIPAL ACCOUNTING POLICIES

RESEARCH AND DEVELOPMENT

Research and development expenditure is charged to profits in the period in which it is incurred.

CONTRIBUTIONS TO PENSION SCHEMES

Defined contribution schemes

The pension costs charged against profits represent the amount of the contributions payable to the individual employees' schemes in respect of the accounting period.

LEASED ASSETS

Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

FINANCIAL INSTRUMENTS

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

Trade debtors

Trade debtors are non interest bearing and are stated at original invoiced amount less an appropriate allowance for irrecoverable amounts. Such allowances are based on known customer exposures.

Cash

Cash comprises cash at bank and in hand.

Trade creditors

Trade creditors are non interest bearing and are stated at the original invoiced amount.

Income from financial instruments

Interest is accrued and credited to the profit and loss account in the period to which it relates.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

CUSTOMER SYSTEMS LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 January 2022

	Note	2022 £	2021 £
Turnover	1	1,089,630	1,231,199
Administrative expenses		(973,940)	(1,115,379)
Profit on ordinary activities before interest		115,690	115,820
Interest receivable		26	229
Profit on ordinary activities before taxation	1	115,716	116,049
Tax credit on profit ordinary activities	3	30,099	12,703
Profit and total comprehensive income for the financial year		145,815	128,752
Profit for the year attributable to:			
Non-controlling interests		23,752	19,754
Owners of the parent company		122,063	108,998
Profit and total comprehensive income for the financial year		145,815	128,752
Earnings per share – basic (pence)	4	1.06	0.94

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

CUSTOMER SYSTEMS LIMITED**GROUP STATEMENT OF FINANCIAL POSITION**

At 31 January 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	28,348	36,852
Current assets			
Debtors: amounts falling due within one year	7	214,756	257,747
Cash at bank and in hand		543,990	385,215
		758,746	642,962
Creditors: amounts falling due within one year	8	(206,804)	(175,502)
Net current assets		551,942	467,460
Total assets less current liabilities		580,290	504,312
Creditors: amounts falling due after more than one year	11	(6,491)	(7,002)
Net assets		573,799	497,310
Capital and reserves			
Called up share capital	12	115	115
Profit and loss account	13	515,439	451,082
Non-controlling interests	13	58,245	46,113
Shareholders' funds		573,799	497,310

For the year ending 31 January 2022, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. The financial statements were approved by the board of directors and authorised for issue on 08 March 2022.



Mr S N Austen
Director

The accompanying accounting policies and notes form an integral part of these financial statements

CUSTOMER SYSTEMS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION**

At 31 January 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	-	-
Investments	5	42,633	42,633
		42,633	42,633
Current assets			
Debtors: amounts falling due within one year	7	-	44,898
Cash at bank and in hand		268,685	188,550
		268,685	233,448
Creditors: amounts falling due within one year	8	(53,247)	(17,639)
Net current assets		215,438	215,809
Total assets less current liabilities		258,071	258,442
Net assets		258,071	258,442
Capital and reserves			
Called up share capital	12	115	115
Profit and loss account	13	257,956	258,327
Shareholders' funds		258,071	258,442

For the year ending 31 January 2022, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. The financial statements were approved by the board of directors and authorised for issue on 08 March 2022.



Mr S N Austen
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

CUSTOMER SYSTEMS LIMITED**GROUP STATEMENT OF CASH FLOWS**

For the year ended 31 January 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	145,815	128,752
Adjustments for		
Interest received	(26)	(229)
Taxation	(30,099)	(12,703)
Decrease in trade and other debtors	76,833	(47,123)
Depreciation of tangible assets	8,504	5,669
Increase / (decrease) in trade creditors	33,225	(97,259)
Cash from operations	234,252	(22,893)
Income taxes (paid) / refunded	(6,177)	12,979
Net cash generated from operating activities	228,075	(9,914)
Cash flows from investing activities		
Purchase of tangible assets	-	(42,521)
Interest received	26	229
Net cash from / (used in) investing activities	26	(42,292)
Cash flows from financing activities		
Dividends paid / capital repaid	(69,326)	(115,297)
Net proceeds from share transactions with non-controlling interests	-	4,994
Net cash used in financing activities	(69,326)	(110,303)
Net increase / (decrease) in cash and cash equivalents	158,775	(162,509)
Cash and cash equivalents at the beginning of year	385,215	547,724
Cash and cash equivalents at end of year	543,990	385,215

The accompanying accounting policies and notes form an integral part of these financial statements.

CUSTOMER SYSTEMS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 January 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Non- controlling interests £	Total £
At 1 February 2020	115,412	72,718	268,739	21,992	478,861
Profit and total comprehensive income for the year	-	-	108,998	19,754	128,752
Changes in non-controlling interest share of net assets			627	4,367	4,994
Share capital repaid	(115,297)	-	-	-	(115,297)
Capital Reduction - transfer from Share Premium to Profit and loss accounts	-	(72,718)	72,718	-	-
At 1 February 2021	115	-	451,082	46,113	497,310
Profit and total comprehensive income for the year	-	-	122,063	23,752	145,815
Dividends paid	-	-	(57,706)	(11,620)	(69,326)
At 31 January 2022	115	-	515,439	58,245	573,799

The accompanying accounting policies and notes form an integral part of these financial statements.

CUSTOMER SYSTEMS LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 January 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 February 2020	115,412	72,718	96,420	284,550
Profit and total comprehensive income for the year	-	-	89,189	89,189
Share capital repaid	(115,297)	-	-	(115,297)
Capital Reduction - transfer from Share Premium to Profit and loss accounts	-	(72,718)	72,718	-
At 1 February 2021	115	-	258,327	258,442
Profit and total comprehensive income for the year	-	-	57,335	57,335
Dividends paid	-	-	(57,706)	(57,706)
At 31 January 2022	115	-	257,956	258,071

The accompanying accounting policies and notes form an integral part of these financial statements.

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to one activity.

A geographical analysis of turnover is given below:

	2022 £	2021 £
United Kingdom	358,070	365,423
Overseas	731,560	865,776
	1,089,630	1,231,199

An analysis of profit before tax by geographical market is given below:

	2022 £	2021 £
United Kingdom	38,026	34,444
Overseas	77,690	81,605
	115,716	116,049

An analysis of net assets at the balance sheet date by geographical market is set out below:

	2022 £	2021 £
United Kingdom	517,308	435,065
Overseas	56,491	62,245
	573,799	497,310

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

The profit on ordinary activities before taxation is stated after:

	2022 £	2021 £
Auditors' remuneration - audit services	-	1,000
Net loss on foreign currency translation	2,214	8,565
Depreciation of tangible fixed assets, owned	8,504	5,669
Research and Development	302,328	239,671
Operating lease rentals	27,949	33,636

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the year was £57,335 (2021: £89,189).

2 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	725,697	799,727
Social security costs	93,691	98,897
Other pension costs	22,473	37,612
	841,861	936,236

The average number of employees of the group during the year was 9 (2021: 9).

Remuneration in respect of directors (being the key management personnel) was as follows:

	2022 £	2021 £
Emoluments	286,369	380,388
Pension contributions	10,068	26,968
	296,437	407,356

Emoluments in respect of the highest paid director were £163,071 (2021: £150,746). Pension contributions relating to the highest paid director were £nil (2021: £nil). 2021 remuneration includes £22,795 paid to Mr D P Budd on cessation of employment (2022 : £nil). During the year one director (2021: two) participated in money purchase pension schemes.

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge for the year:	2022 £	2021 £
Current tax:		
UK corporation tax on profits for the year	-	-
Overseas tax	1,275	3,072
Total current tax (see note (b) below)	1,275	3,072
Deferred tax:		
Adjustment in respect of previous years	-	(145)
Adjustment in respect effective rate of corporation tax for future years	1,105	-
Origination of timing differences relating to tax losses carried forwards	(30,863)	(22,632)
Origination of timing differences arising from excess of capital allowances over depreciation	(1,616)	7,002
Total deferred tax	(31,374)	(15,775)
Total tax charge for the year	(30,099)	(12,703)
(b) The factors affecting the tax charge for the year:	2022 £	2021 £
Profit before taxation	115,716	116,049
Profit before taxation multiplied by standard UK corporation tax at 19% (2021: 19%)	21,986	22,049
Effect of:		
Excess of depreciation over capital allowances	1,616	(7,002)
Provision for UK tax in respect of foreign subsidiary	600	892
Research and Development tax credit	(63,369)	(42,713)
Effect of unutilised tax losses	40,442	29,846
Current tax charge for the year (see (a) above)	1,275	3,072

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

4 EARNINGS PER SHARE

The number of shares used in the calculation is the weighted average number of shares in issue during the year.

	Profit after tax (Numerator)		Shares (Denominator)		Per share amount	
	2022	2021	2022	2021	2022	2021
	£	£	No.	No.	pence	pence
BASIC EPS						
Profit attributable to ordinary shareholders	122,063	108,998	11,541,150	11,541,150	1.06	0.94

There were no options or warrants outstanding to dilute EPS.

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

5 FIXED ASSET INVESTMENTS

The company	Shares in subsidiaries £
At 1 February 2021	42,633
Additions	-
Disposals	-
At 31 January 2022	42,633

At 31 January 2022 the company held 20% or more of the allotted share capital of the following:

	Class of share capital held	Proportion held	Country of incorporation	Nature of business
Subsidiaries:				
Customer Systems UK Limited	Ordinary shares	100%	England	Software and IT consultancy
On The Move Software Limited	Ordinary shares	83.40%	England	Software and IT consultancy
Customer Systems International, Inc.	Ordinary shares	83.40%	USA	Software and IT consultancy

The holding in Customer Systems International, Inc. is an indirect holding by virtue of the company's holding in On The Move Software Limited. Customer Systems International, Inc.'s correspondence address is 4023 Kennett Pike #50500, Wilmington, DE 19807, USA.

The address of the registered office for Customer Systems UK Ltd and On The Move Software Limited is Stylus House, London Road, Bracknell, RG12 2UT.

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

6 TANGIBLE FIXED ASSETS

The Group	Plant, furniture, fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 February 2021	65,493	12,318	77,811
Additions	-	-	-
Disposals	-	-	-
At 31 January 2022	65,493	12,318	77,811
Depreciation			
At 1 February 2021	28,641	12,318	40,959
Provided in the year	8,504	-	8,504
Eliminated on disposals	-	-	-
At 31 January 2022	37,145	12,318	49,463
Net book amount at 31 January 2022	28,348	-	28,348
Net book amount at 31 January 2021	36,852	-	36,852

The Company	Plant, furniture, fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 February 2021	22,972	12,318	35,290
Additions	-	-	-
Disposals	-	-	-
At 31 January 2022	22,972	12,318	35,290
Depreciation			
At 1 February 2021	22,972	12,318	35,290
Provided in the year	-	-	-
Eliminated on disposals	-	-	-
At 31 January 2022	22,972	12,318	35,290
Net book amount at 31 January 2022	-	-	-
Net book amount at 31 January 2021	-	-	-

CUSTOMER SYSTEMS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 January 2022

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Trade debtors	57,524	-	134,467	-
Amounts owed by group undertakings	-	-	-	44,789
Corporation tax receivable	2,979	-	-	-
Deferred tax	69,207	-	38,344	-
Other debtors	-	-	2,415	109
Prepayments and accrued income	85,046	-	82,521	-
	214,756	-	257,747	44,898

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Trade creditors	14,044	45	484	60
Amounts owed to group undertakings	-	39,246	-	1,028
Corporation tax	-	-	1,923	-
Social security and other taxes	29,765	13,922	29,058	15,484
Accruals and deferred income	162,995	34	144,017	1,047
Other creditors	-	-	20	20
	206,804	53,247	175,502	17,639

9 PROVISIONS FOR LIABILITIES AND CHARGES

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Deferred tax arising on timing differences relating to capital allowances	6,491	-	7,002	-
	6,491	-	7,002	-

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

10 DEFERRED TAX ASSET

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Opening deferred tax asset	38,344	-	30,169	-
Deferred tax credit in the profit and loss account for the year (note 3 (a))	30,863	-	22,777	-
Deferred tax asset converted to cash	-	-	(14,602)	-
Deferred tax asset at 31 January	69,207	-	38,344	-

11 DEFERRED TAX PROVISION

	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Opening deferred tax provision	7,002	-	-	-
Deferred tax charge in the profit and loss account for the year (note 3 (a))	(511)	-	7,002	-
Deferred tax provision at 31 January	6,491	-	7,002	-

12 SHARE CAPITAL

	2022 £	2021 £
Authorised 100 million 0.001p 1 ordinary shares	1,000	1,000
Allotted, called up and fully paid 11,541,150 0.001p ordinary shares (31 January 2021: 11,541,150 0.001p ordinary shares)	115	115

There were no allotments during the year.

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

13 RESERVES

The company's reserves are defined as follows:

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 attributable to the owners of the company.

Non-controlling interests – includes all current and prior period retained profits and losses attributable to the minority shareholders in subsidiary companies.

14 NON-CONTROLLING INTEREST

At 31 January 2021 On The Move Software Limited was 83.40% owned by Customer Systems Limited (2021: 83.40%). At 31 January 2022 On The Move Software Limited had consolidated net assets of £350,873 (2021: £277,788), of which £58,245 (2021: £46,113) was attributable to the non-controlling interest.

15 LEASING COMMITMENTS

The total commitments under non-cancellable operating leases are:

	Group Land and buildings 2022 £	Company Land and buildings 2022 £	Group Land and buildings 2021 £	Company Land and buildings 2021 £
Payments which fall due:				
Within one year	22,462	-	22,367	-
Between two and five years	6,744	-	27,256	-
	29,206	-	49,623	-

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

16 FINANCIAL INSTRUMENTS

Financial instruments by category

Financial assets:	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Financial assets measured at fair value through profit and loss	543,990	268,685	385,215	188,550
Financial assets that are debt instruments measured at amortised cost	201,652	-	244,284	44,898
Total financial assets	745,642	268,685	629,499	233,448

Financial liabilities:	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Financial liabilities measured at amortised cost	177,039	79	144,501	1,107
Total financial liabilities	177,039	79	144,501	1,107

Financial risk management

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

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

Financial risk management

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk, price risk, credit risk, and foreign currency risk. The objective of the group is to manage these risks to minimise their impact on the financial results of the group.

Interest rate risk

The group holds significant bank balances. The level of interest receivable on these balances is affected by changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

16 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

The group seeks to manage the way it hold its funds in order to ensure that sufficient liquidity is available to meet foreseeable needs. Cash is held in current accounts, or placed on fixed term deposit with UK banks. When the group has excessive cash it sometimes invests part of this in securities. These securities have lower liquidity than money held in current accounts but the securities involved are normally quoted on the London Stock Exchange.

Credit risk

Credit risk arises from cash held with banks, funds invested in securities and credit exposure to our customers. For banks, only banks that are considered 'too large to be allowed to fail' are accepted. When securities are purchased, only a fairly low level of risk is tolerated. Such securities are generally corporate bonds or cumulative preference shares with credit ratings at the lower end of investment grade. Credit quality of customers is assessed taking into account financial position, past experience and other factors. The amount and age of credit utilised by each of our customers is reviewed on a regular basis.

Currency risk

The group is exposed to translation and transaction foreign exchange risk by virtue of selling its services in overseas markets and by the maintenance of cash balances in US dollars. The group chooses not to actively manage this exposure. At 31 January 2022 the group held cash balances in US dollars amounting to £111,946 (31 January 2021: £134,948), carried trade debtors denominated in US dollars of £34,246 (31 January 2021: £110,633) and had trade creditors denominated in US dollars of £579 (31 January 2021: £114). All other financial assets and liabilities are denominated in sterling.

17 ULTIMATE CONTROLLING RELATED PARTY

The ultimate controlling party is Mr S N Austen by virtue of his majority shareholding.

18 RELATED PARTY TRANSACTIONS

The company has taken advantage of exemptions available under FRS 102 (section 33) not to disclose transactions undertaken with its wholly owned subsidiary undertakings.

The company supplied support services to On The Move Software Limited, an 83.40% subsidiary (2021: 83.40%). These charges totaled £200 (2021: £4,392). Additionally during 2021 the company was charged £35 (2022: £nil) by On The Move Software Limited for tax losses transferred.

At 31 January 2022 the company had a balance due to the On The Move Software Limited group of £32,717 (2021: balance due from the On The Move Software Limited group of £44,789).

CUSTOMER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2022

18 RELATED PARTY TRANSACTIONS (CONTINUED)

During the year dividend payments were made by the company to serving directors, Mr S N Austen received £53,495 and Mr D K Scattergood received £50 (2021: nil). During 2021 capital repayments were made by the company to serving directors, Mr S N Austen received £106,884 and Mr D K Scattergood received £100 (2022: nil). During the year On The Move Software Limited made dividend payments to serving directors, Mr D K Scattergood received £7,000 and Mr A J Prowse received £2,800 (2021: £nil).

During 2021 the company acquired 225 On The Move Software Limited shares from Mr D P Budd, a director for part of 2021, for £11,306 (2022 : £nil). During 2021 the company sold On The Move Software Limited shares to serving directors, Mr D K Scattergood paid £5,600 for 175 shares (2022 : £nil), and Mr A J Prowse paid £5,600 for 175 shares (2022 : £nil).

Customer Systems UK Limited a 100% subsidiary of Customer Systems Limited was charged £490 (2021: £1,714) by On The Move Software Limited for tax losses transferred. Customer Systems UK Limited received staff time and support services from On The Move Software Limited, during 2022 these charges totalled £4,375 (2021: £16,013).

The group's headquarters is owned by Mr S N Austen, a director, Mr Austen also owns the group's previous headquarters in Chertsey. During the period £35,215 (2021: £39,074) was paid to Mr Austen for the rent and occupancy costs of the premises. At 31 January 2022 there was a balance due to Mr Austen of £4,997 (2021: £nil).

19 STATUTORY INFORMATION

Customer Systems Limited is a private limited company incorporated in the UK and registered in England and Wales, its registered office is Stylus House, London Road, Bracknell, RG12 2UT.

Company registration number:

3509265

Registered office:

**Stylus House
London Road
Bracknell
RG12 2UT**

Directors:

**Mr SN Austen
Mr DK Scattergood
Mr AJ Prowse**

Secretary:

Mr AJ Prowse