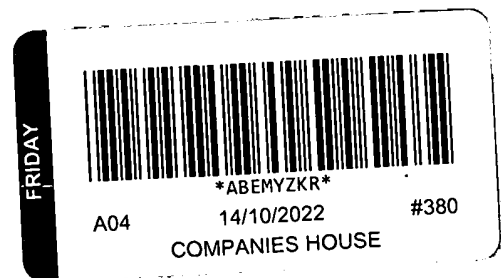


**Alphanumeric Limited**  
Financial statements  
For the year ended 31 March 2022



**Company no 03749871**

**Alphanumeric Limited**  
**Financial statements for the year ended 31 March 2022**

## Company information

**Company registration number:** 03749871

**Registered office:** Albert Works  
71 Sidney Street  
SHEFFIELD  
S1 4RG

**Directors:** A Fryatt

**Bankers:** Barclays Bank plc  
1 Princes Street  
IPSWICH  
IP1 1PB

**Auditor:** Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
1 Holly Street  
SHEFFIELD  
S1 2GT

**Alphanumeric Limited**  
**Financial statements for the year ended 31 March 2022**

## Index to the financial statements

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## Report of the directors

The directors present their report and the financial statements of Alphanumeric Limited for the year ended 31 March 2022.

### Principal activity

During the year all trade and assets of the Company were transferred into Jaywing UK Limited. Prior to this the Company was principally engaged in information strategy.

### Results and dividends

There was no profit or loss made by the Company in the year (2021: profit of £256,000).

The Company paid no dividends during the current or prior year.

### Directors

The directors who served the Company during the year and to the date of this report are as follows:

A Fryatt

C Ackroyd (Appointed 9 April 2021 & resigned 14 March 2022)

### Statement of directors' responsibilities

The directors are responsible for preparing the Report of the directors, 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 laws, including FRS 101 "Reduced Disclosure Framework"). 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 profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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.

## Report of the directors

### Going concern

In determining the appropriate basis of preparation of the financial statements, the Director is required to consider whether the Company can continue in operational existence for the foreseeable future.

The Company benefits from the Group's financial strength and continues to have the support of its parent company Jaywing plc, with a letter of support being provided.

After making enquires, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements. The Company, therefore, continues to adopt the going concern basis in preparing its financial statements.

### Future developments

At the date of signing there were no future developments to report.

### Post balance sheet events

At the date of signing there were no post balance sheet events to report.

### Auditor

The Company's articles require annual reappointment of the auditors. Grant Thornton UK LLP have expressed willingness to continue in office. In accordance with s485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD



A Fryatt  
Director  
6 September 2022



# Independent auditor's report to the members of Alphanumeric Limited

## Opinion

We have audited the financial statements of Alphanumeric Limited (the 'company') for the year ended 31 March 2022, which comprise Profit and loss account, Balance sheet, 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its result 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section 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.

In connection with our audit of the financial statements, 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



# Independent auditor's report to the members of Alphanumeric Limited

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.

## **Matter on which we are required to report under the Companies Act 2006**

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.

## **Matters on which we are required to report by exception**

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and from the requirement to prepare a strategic report.

## **Responsibilities of directors for the financial statements**

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

In preparing the financial statements, the directors are responsible for assessing the 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the International Accounting Standards in conformity with the requirements of the Companies Act 2006 and other legislative requirements;
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors, and



## Independent auditor's report to the members of Alphanumeric Limited

- from inspection of the board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations the directors;
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts.
  - Audit procedures performed by the engagement team included:
    - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
    - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and identifying and testing related party transactions.
    - identifying and testing related party transactions by agreeing to underlying records and obtaining confirmation for directors' emoluments.
    - use communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to indications of fraud or non-compliance with laws and regulations throughout the audit.

The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's;

- understanding of, and practical experience with audit engagements of similar nature and complexity through appropriate training and participation;
- knowledge of the industry in which the client operates; and
- understanding the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provision.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

### 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.

*Grant Thornton UK LLP*

Donna Steel  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Sheffield  
6 September 2022



**Alphanumeric Limited**  
**Financial statements for the year ended 31 March 2022**

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## Profit and loss account

|   | Note | 2022<br>£'000 | 2021<br>£'000 |
|---|------|---------------|---------------|
| Turnover  | 2    | -             | 4,537         |
| Cost of sales                                     |      | -             | (3,301)       |
| Gross profit                                      |      | -             | 1,236         |
| Other operating income                            | 5    | -             | 67            |
| Administrative expenses                           |      | -             | (1,046)       |
| Profit from operations                            | 3    | -             | 257           |
| Interest receivable and similar income            | 4    | -             | 6             |
| Profit on ordinary activities before taxation     |      | -             | 263           |
| Tax on profit on ordinary activities              | 8    | -             | (7)           |
| Profit for the financial year                     |      | -             | 256           |
| Other comprehensive income                        |      | -             | -             |
| Total comprehensive income for the financial year |      | -             | 256           |

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

**Alphanumeric Limited**  
**Financial statements for the year ended 31 March 2022**

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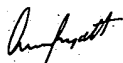
## Balance sheet

**As at 31 March 2022**

|  | Note | 2022<br>£'000 | 2021<br>£'000 |
|--|------|---------------|---------------|
| <b>Fixed assets</b>                          |      |               |               |
| Tangible assets                              | 9    | -             | 1             |
| Intangible assets                            | 10   | -             | 12            |
|  |      | <u>-</u>      | <u>13</u>     |
| <b>Current assets</b>                        |      |               |               |
| Debtors due within 1 year                    | 11   | 1,686         | 2,259         |
| Contract assets                              | 13   | -             | 74            |
| Cash at bank and in hand                     |      | -             | 47            |
|  |      | <u>1,686</u>  | <u>2,380</u>  |
| <b>Current Liabilities</b>                   |      |               |               |
| Creditors due with one year                  | 12   | (40)          | (654)         |
| Contract liabilities                         | 13   | -             | (93)          |
|  |      | <u>(40)</u>   | <u>(747)</u>  |
| <b>Net current assets</b>                    |      | <u>1,646</u>  | <u>1,633</u>  |
| <b>Total assets less current liabilities</b> |      | <u>1,646</u>  | <u>1,646</u>  |
| <b>Capital and reserves</b>                  |      |               |               |
| Called up equity share capital               | 15   | -             | -             |
| Profit and loss account                      | 16   | 1,646         | 1,646         |
| <b>Shareholders' funds</b>                   |      | <u>1,646</u>  | <u>1,646</u>  |

The financial statements were approved by the Board of Directors and authorised for issue on 6 September 2022.

Signed on behalf of the board of directors:



A Fryatt  
 Director

Company number: 03749871

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

**Alphanumeric Limited**  
**Financial statements for the year ended 31 March 2022**

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## Statement of changes in equity

|  | Called-up<br>share<br>capital<br>£'000 | Profit<br>and loss<br>account<br>£'000 | Total<br>£'000 |
|--|--|--|----------------|
| At 1 April 2020                                    | -                                      | 1,390                                  | 1,390          |
| Profit for the year and other comprehensive income | -                                      | 256                                    | 256            |
| At 31 March 2021                                   | -                                      | 1,646                                  | 1,646          |
| At 1 April 2021                                    | -                                      | 1,646                                  | 1,646          |
| Profit for the year and other comprehensive income | -                                      | -                                      | -              |
| At 31 March 2022                                   | -                                      | 1,646                                  | 1,646          |

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

# Notes to the financial statements

## 1 Accounting policies

### 1.1 Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

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

The financial statements have been prepared on a historical cost basis except for certain financial instruments.

The financial statements are presented in Sterling (£) and have been presented in round thousands (£'000).

Alphanumeric Limited is incorporated in England and Wales. The registered office is Albert Works, 71 Sidney Street, Sheffield, S1 4RG. During the year all trade and assets of the Company were transferred into Jaywing UK Limited. Prior to this the Company was principally engaged in information strategy.

### 1.2 Going concern

In determining the appropriate basis of preparation of the financial statements, the Director is required to consider whether the Company can continue in operational existence for the foreseeable future.

The Company benefits from the Group's financial strength and continues to have the support of its parent company Jaywing plc, with a letter of support being provided.

After making enquires, the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approving these financial statements. The Company, therefore, continues to adopt the going concern basis in preparing its financial statements.

### 1.3 Parent Company

The Company is a wholly owned subsidiary of Jaywing plc which prepares publicly available consolidated financial statements in accordance with IFRS. This Company is included in the consolidated financial statements of Jaywing plc for the year ended 31 March 2022. These accounts are available from Albert Works, 71 Sidney Street, Sheffield, S1 4RG.

### 1.4 Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- 1 A statement of cash flows and related notes
- 2 The requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the group as they are wholly owned within the group
- 3 Presentation of comparative reconciliations for property, plant and equipment, intangible assets, investment properties and agriculture
- 4 Capital management disclosures
- 5 Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
- 6 The effect of future accounting standards not adopted
- 7 Disclosures in relation to impairment of assets
- 8 Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value)
- 9 IFRS 9 disclosures in respect of allowances for expected credit losses reconciliations and credit risk and hedge accounting
10. IFRS 15 disclosures in respect of disaggregation of revenue, contract assets reconciliations and contract liabilities reconciliation and unsatisfied performance obligations

## Notes to the financial statements

### 1.5 Tangible assets

Property, plant and equipment (PPE) is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

PPE is subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis (unless otherwise stated) to write down the cost less estimated residual value of PPE. The following useful lives are applied:

- Fixtures, fittings and equipment: 2-5 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

### 1.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use.

The estimated useful life is as follows:

- Development costs: 3-4 years

For Intangible assets, the recoverable amount is only estimated when there is an indication that an impairment may have occurred. The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is determined by assessing net present value of the asset based on future cash flows.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

### 1.7 Financial instruments - Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### 1.8 Financial instruments - Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- loans and receivables

There are no financial assets that have been designated as held to maturity, fair value through profit or loss or available-for-sale.

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

## Notes to the financial statements

### 1.9 Financial instruments – loans and receivables

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition, or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### 1.10 Financial instruments – Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings, trade creditors and other creditors and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

### 1.11 Cash and cash equivalents

Cash comprises cash on hand and demand deposits which are presented as cash at bank and in hand in the statement of financial position.

Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the statement of financial position.

### 1.12 Financial guarantees

Financial guarantees in respect of the borrowings of fellow group companies are not regarded as insurance contracts. They are recognised at fair value and are subsequently measured at the higher of:

- the amount that would be required to be provided under IAS 37 (see policy on provisions below); and
- the amount of any proceeds received net of amortisation recognised as income.

### 1.13 Holiday pay

A provision for annual leave accrued by employees as a result of services rendered, and which employees are entitled to carry forward and use within the next 12 months is recognised in the current period. The provision is measured at the salary cost payable for the period of absence.

### 1.14 Equity, reserves and dividend payments

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity. Transaction costs on the issue of shares are deducted from the share premium account arising on that issue. Dividends on the Company's ordinary shares are recognised directly in equity.

## Notes to the financial statements

Interim dividends are recognised when they are paid. A liability for unpaid dividends is recognised when the dividends have been approved in a general meeting prior to the reporting date.

### 1.15 Revenue recognition

Revenue is generated mainly under the following two contractual models:

1. Consulting day rates
2. Licences (with and without support)

The different revenue streams for the Company have been assessed and a view taken on whether the application of IFRS 15 would lead to a change in the way revenue is recognised for the work performed.

The Company has used the following five steps to do this:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue when the performance obligations are satisfied

The Company often enters into transactions involving a range of the Company's products and services, for example providing a client with data consultancy and brand development work. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Revenue is recognised over time, as the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises a contract asset in its balance sheet.

#### Consulting day rates

A client will enter into a contract for a piece of work that is quoted as a number of days charged at a rate per day. This work will be either risk, marketing or data based and could involve building models, databases and analysis of data. Invoices will usually be raised monthly for the number of days of work performed.

A specific piece of work is contracted for which will normally be a number of days work charged at a rate per day, with different rates for different levels of seniority. The transaction price is set out in the contract. The customer may choose to vary the scope at any stage, and that would be subject to an updated work schedule. That work order would still be part of the original contract as those services would not be distinct from those in the original contract.

Revenue is recognised over time in line with paragraph 35(a) based on the number of days work performed during the month.

#### Licences

A client enters into a contract for a product licence, including support from Jaywing to run that product and interpret the results from it. The product and support are not separately identifiable because the client is not able to operate the product licence without this support as they do not have the skills or a login to the system.

Revenue is recognised over time based on the provision of the licence and support during the month as the customer simultaneously receives and consumes the benefit of the services as the services are provided.

Each of these revenue streams have been assessed and the Company has concluded that for the contracts currently in place with customers, there is no change in the method of revenue recognition from that done historically.

There are no differences in payment terms for each of these categories, the only differences in payments terms are from individual terms agreed with clients.

## Notes to the financial statements

1.16

### **Income**

#### **Interest receivable**

Interest receivable is reported on an accrual basis using the effective interest method.

1.17

### **Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

1.18

### **Foreign currency translation**

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

1.19

### **Income taxes**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Calculation of deferred tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period that are expected to apply when the asset is realised or the liability is settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover the related asset or settle the related obligation.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets are not discounted.

Deferred tax liabilities are generally recognised in full with the exception of the following:

- on the initial recognition of goodwill on investments in subsidiaries and joint ventures where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future on the initial recognition of a transaction that is not a business combination and at the time of the transaction affects neither accounting or taxable profit.

Deferred tax liabilities are not discounted.

1.20

### **Post-employment benefits and short-term employee benefits**

#### **Short-term employee benefits**

Short term employee benefits including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at undiscounted amount that the Company expects to pay as a result of unused entitlement. See holiday pay policy in 1.13 above.

#### **Post-employment benefit plans**

Contributions to defined contribution pension schemes are charged to profit or loss in the year to which they relate. Prepaid contributions are recognised as an asset. Unpaid contributions are reflected as a liability.

1.21

### **Profit from operations**

Profit from operations comprises the results of the Company before interest receivable and similar income, interest payable and similar charges, corporation tax and deferred tax.

1.22

### **Government grant receipts**

The Company has received government grant income relating to the Coronavirus Job Retention Scheme. These amounts are shown as Other operating income.



## Notes to the financial statements

### 1.23 Significant judgement in applying accounting policies and key estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### Significant management judgement

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

#### Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

#### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

## 2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the Company and originate in the United Kingdom.

## 3 Operating profit

Operating profit is stated after charging:

|                                   | 2022<br>£'000 | 2021<br>£'000 |
|-----------------------------------|---------------|---------------|
| Depreciation of tangible assets   | -             | 3             |
| Amortisation of intangible assets | -             | 56            |

The audit fee for the Company of £4,000 (2021: £15,000) is met by Jaywing plc.

## 4 Other interest receivable and similar income

|   | 2022<br>£'000 | 2021<br>£'000 |
|---|---------------|---------------|
| Interest from Administrator in relation to client | -             | 6             |

## 5 Other Operating Income

Other operating income are receipts received from Government under the Government Job Retention Scheme relating to the furlough of staff during the period.

## Notes to the financial statements

### 6 Directors and employees

The average number of staff employed by the Company during the financial year amounted to:

|                                     | 2022<br>Number | 2021<br>Number |
|-------------------------------------|----------------|----------------|
| Technical                           | -              | 43             |
| Management and administration staff | -              | 6              |
|                                     | <u>-</u>       | <u>49</u>      |

The aggregate payroll costs of the above were:

|                       | 2022<br>£'000 | 2021<br>£'000 |
|-----------------------|---------------|---------------|
| Wages and salaries    | -             | 3,308         |
| Social security costs | -             | 381           |
| Apprenticeship levy   | -             | 10            |
| Other pension costs   | -             | 129           |
|                       | <u>-</u>      | <u>3,828</u>  |

### 7 Directors

The current Directors of Alphanumeric Limited are employed and remunerated by Jaywing plc. During the current and prior period no directors were paid through Alphanumeric Limited.

## Notes to the financial statements

### 8 Tax on profit on ordinary activities

(a) The tax charge is based on the profit for the year and represents:

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| UK corporation tax                             | -             | 64            |
| Adjustment in respect of previous periods      | -             | (59)          |
| Total current tax                              | -             | 5             |
| Deferred tax:                                  |               |               |
| Origination and reversal of timing differences | -             | 2             |
|  | -             | 7             |

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

|  | 2022<br>£'000 | 2021<br>£'000 |
|--|---------------|---------------|
| Profit on ordinary activities before taxation            | -             | 263           |
| Profit on ordinary activities by rate of tax             | -             | 50            |
| Expenses not deductible for tax purposes                 | -             | 5             |
| Amortisation   | -             | 11            |
| Adjustments to tax charge in respect of previous periods | -             | (59)          |
| Total tax (note 8(a))                                    | -             | 7             |

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023 with the legislation receiving Royal Assent on 10 June 2021.

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## Notes to the financial statements

### 9 Tangible fixed assets

|                              | Fixtures,<br>fittings and<br>equipment<br>£'000 |
|------------------------------|---|
| Cost                         |   |
| At 1 April 2021              | 87  |
| Transferred to Group company | (87)  |
| At 31 March 2022             | -   |
| Depreciation                 |   |
| At 1 April 2021              | 86  |
| Transferred to Group company | (86)  |
| At 31 March 2022             | -   |
| Net book amount              |   |
| At 31 March 2022             | -   |
| At 31 March 2021             | 1   |

### 10 Intangible fixed assets

|                              | Product<br>development<br>costs<br>£'000 |
|------------------------------|--|
| Cost                         |  |
| At 1 April 2021              | 104                                      |
| Transferred to Group company | (104)                                    |
| At 31 March 2022             | -  |
| Depreciation                 |  |
| At 1 April 2021              | 92                                       |
| Transferred to Group company | (92)                                     |
| At 31 March 2022             | -  |
| Net book amount              |  |
| At 31 March 2022             | -  |
| At 31 March 2021             | 12                                       |

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## Notes to the financial statements

### 11 Debtors

|                                    | 31 March<br>2022<br>£'000 | 2021<br>£'000 |
|------------------------------------|---------------------------|---------------|
| Due within 1 year                  |                           |               |
| Trade debtors                      | -                         | 663           |
| Amounts owed by group undertakings | 1,686                     | 1,517         |
| Prepayments                        | -                         | 42            |
| Other debtors                      | -                         | 6             |
| Deferred tax asset (see note 14)   | -                         | 31            |
|                                    | <u>1,686</u>              | <u>2,259</u>  |

Intercompany loans are repayable upon request and attract no interest.

### 12 Creditors: amounts falling due within one year

|                                    | 2022<br>£'000 | 2021<br>£'000 |
|------------------------------------|---------------|---------------|
| Trade creditors                    | -             | 42            |
| Amounts owed to group undertakings | 40            | 40            |
| Other taxation and social security | -             | 314           |
| Corporation tax                    | -             | 64            |
| Accruals                           | -             | 167           |
| Other creditors                    | -             | 27            |
|                                    | <u>40</u>     | <u>654</u>    |

Intercompany loans are repayable upon request and attract no interest.

### 13 Contract assets and liabilities

#### Contract assets

|                | 2022<br>£'000 | 2021<br>£'000 |
|----------------|---------------|---------------|
| Accrued income | -             | 74            |

Contract assets related to the portion of performance obligations already fulfilled by the Company and for which the definitive right to receive cash was subject to completing further work under the relevant contract. Contract assets are converted into trade receivables at the point that work delivered to the client is invoiced resulting in the Company's unconditional right to receive cash. Contract assets therefore represent a portion of future payments receivable by the Company under existing contracts.

#### Contract Liabilities

|                              | Deferred<br>Revenue<br>£'000 |
|------------------------------|------------------------------|
| At 31 March 2021             | 93                           |
| Transferred to Group company | (93)                         |
| At 31 March 2022             | <u>-</u>                     |

Contract liabilities consist of cash advances received from customers on account of work orders received and the remaining liabilities relate to the amount of performance obligations still to be fulfilled and for which payment has already been received from the client.

## Notes to the financial statements

### 14 Deferred taxation

Deferred tax is provided for at 19% (2021: 19%) in the financial statements and consists of the following:

|                                | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | -             | 14            |
| Other timing differences       | -             | 17            |
|                                | <u>-</u>      | <u>31</u>     |

The amount of deferred tax recognised in profit or loss was as follows:

|                          | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------|---------------|---------------|
| Other timing differences | -             | (3)           |
|                          | <u>-</u>      | <u>(3)</u>    |

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023 with the legislation receiving Royal Assent on 10 June 2021.

### 15 Share capital

Authorised share capital:

|                                      | 2022<br>£'000 | 2021<br>£'000 |
|--------------------------------------|---------------|---------------|
| 1,196,934 Ordinary shares of £1 each | <u>1,197</u>  | <u>1,197</u>  |

Allotted, called up and fully paid:

|                            | 2022       |            | 2021       |            |
|----------------------------|------------|------------|------------|------------|
|                            | No         | £          | No         | £          |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

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

### 16 Reserves

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

### 17 Contingencies

There is a cross guarantee between members of the Jaywing plc group of companies on all bank overdrafts and borrowings with the group's lenders. At 31 March 2022, the amount thus guaranteed by the Company was £8,200,000 (2021: £7,590,000).

### 18 Ultimate controlling party

The ultimate parent undertaking and controlling related party of this company is its parent company, Jaywing plc, by virtue of its 100% shareholding in the company.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Jaywing plc. Copies of the group accounts can be obtained at Albert Works, 71 Sidney Street, Sheffield, S1 4RG.

## Notes to the financial statements

### **19 Retirement benefits**

#### **Defined Contribution Schemes**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £nil (2021: £257,000) with the financial year end pension creditor being £nil (2021: £27,000).

### **20 Related party transactions**

As a wholly owned subsidiary of Jaywing plc, the Company is exempt from the requirements of FRS 101 to disclose transactions with other members of the group headed by that company. As permitted by FRS 101 related party transactions with wholly owned members of Jaywing plc have not been disclosed.

### **21 Post balance sheet events**

At the date of signing there were no post balance sheet events to report.

### **22 Capital Commitments**

As at the year-end date, the company had no capital commitments.