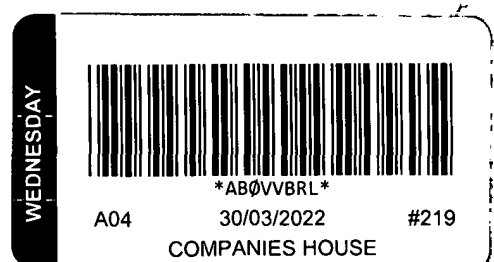


Registered number: 04160790

**TRAPEZE GROUP (UK) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**



---

**TRAPEZE GROUP (UK) LIMITED**

---

**COMPANY INFORMATION**

---

**Directors**

C P Bell (resigned 1 February 2021)  
J McPherson (resigned 5 June 2020)  
C Clarke  
M T Porter (resigned 31 March 2021)  
C Marks (resigned 27 April 2021)  
K Kona  
S P Westermann (appointed 27 April 2021)  
W Delaney (appointed 7 February 2022)

**Company secretary**

C C A Sidhu

**Registered number**

04160790

**Registered office**

Unit A1  
Methuen Park  
Chippenham  
England  
SN14 0GT

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
3 Callaghan Square  
Cardiff  
CF10 5BT

---

**TRAPEZE GROUP (UK) LIMITED**

---

**CONTENTS**

---

	Page
<b>Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 4</b>
<b>Independent Auditor's Report</b>	<b>5 - 9</b>
<b>Statement of Comprehensive Income</b>	<b>10</b>
<b>Statement of Financial Position</b>	<b>11</b>
<b>Statement of Changes in Equity</b>	<b>12</b>
<b>Notes to the Financial Statements</b>	<b>13 - 29</b>

---

## TRAPEZE GROUP (UK) LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### Principal activities

The principal activity of the Company during the year was that of software sales and consulting.

#### Business review

The directors consider that the performance of the business in accordance with these metrics was acceptable. Turnover increased by 22.3% in the year, Gross margins increased to 60% (2019: 55%). EBITDA increased by £257,191, which is a minor improvement from the prior year.

#### Financial key performance indicators

The directors use the Key Performance Indicators defined by our parent group to manage the business. The Key Performance Indicators are Sales, Growth, Gross Margin and EBITDA.

The directors consider that the performance of the business in accordance with these metrics was acceptable.

	2020	2019
Sales	15,708,319	12,840,442
Net revenue growth	22.3%	0.4%
Gross margin	9,497,698	7,079,541
EBITDA	2,223,433	1,966,242

In addition to the above KPIs the Company also pays close attention to its net tangible asset (NTA) position. The group requires that the Company is party to a central corporate treasury function which allows the group to centrally manage its liquidity and financial risk whilst ensuring capital is deployed globally in the most effective manner. However, this can mean that locally the financial strength of the Company is not necessarily conveyed by the corporate NTA when reading these financial system in isolation. To fully understand the size and strength of the corporate group of which the Company is part, these financial statements should be read in conjunction with those of Constellation Software Inc., which is available from the Company's website.

#### Business Risk management

The Directors are of the opinion that the risks for the business are low and manageable. The Company has a diversified product portfolio across a wide range of clients; such that no single product or client will have a disproportionate impact on results. Likewise, the Company is not dependent on any one large project to achieve its ambitions for the coming year. Instead, a significant proportion of the Company's revenues derive from long term, recurring business with a loyal customer base. The Company has a strong management team and a dedicated workforce.

The most significant risk remains the condition of the UK public transport market. This is expected to remain challenging, particularly given the UK government's continuing austerity measures.

---

**TRAPEZE GROUP (UK) LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Financial risk management**

The Company is profitable and cash generative and makes little use of financial instruments other than an operational bank account, trade debtors and trade creditors. It also benefits from strong recurring revenues, typically paid annually in advance. Consequently, its exposure to credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company. The Company also benefits from many long term Maintenance and Support contracts, which significantly reduce price risk. The competitive and cost-conscious nature of the UK public transport market does still pose a price risk, especially for new business.

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

*Soren Peder Westermann*

**S P Westermann**  
Director

Date: 24/3/2022

---

**TRAPEZE GROUP (UK) LIMITED**

---

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The Directors present their report and the financial statements for the year ended 31 December 2020.

**Results and dividends**

The profit for the year, after taxation, amounted to £959,532 (2019 - £1,281,123).

A dividend of £4,988,000 was paid in the year (2019: £Nil).

**Directors**

The Directors who served during the year were:

C P Bell (resigned 1 February 2021)  
J McPherson (resigned 5 June 2020)  
C Clarke  
M T Porter (resigned 31 March 2021)  
C Marks (resigned 27 April 2021)  
K Kona

**Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic Report, the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

**Future developments**

The Directors are of the opinion that risks for the Company remain low and manageable. A significant proportion of the Company's revenues derive from long term, recurring revenues flowing from loyal customers.

The Company will continue to grow by winning new customers as well as working closely with our current customers to deliver valuable solution. As well we will continue to drive efficiencies by investing in resources and people to service future growth.

---

**TRAPEZE GROUP (UK) LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Going concern**

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company is dependent on funds provided by Modaxo Europe A/S, its immediate parent company. Modaxo Europe A/S has indicated that for at least 12 months from the date of the approval of these financial statements it will make such funds available to Trapeze Group UK as and when needed to meet its financial obligations. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that this remains appropriate to prepare the financial statements on a going concern basis.

**Disclosure of information to auditor**

The directors confirm that:

- so far 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.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24/3/2022 and signed on its behalf.

*Soren Peder Westermann*

**S P Westermann**  
Director



---

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAPEZE GROUP (UK) LIMITED

---

### Opinion

We have audited the financial statements of Trapeze Group (UK) Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

We 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.





---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAPEZE GROUP (UK) LIMITED  
(CONTINUED)**

---

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 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.



---

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAPEZE GROUP (UK) LIMITED (CONTINUED)**

---

### **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.

### **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.



---

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAPEZE GROUP (UK) LIMITED (CONTINUED)

---

### **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 how the Company is complying with significant legal and regulatory frameworks through inquiries of management;
- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified Financial Reporting Standard 101 and the Companies Act 2006, along with legislation relating to employment, health & safety and data protection, as those most likely to have a material effect if non-compliance were to occur;
- We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Company's operations, including the nature of its income sources, products, and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the Company's control environment;
  - the Company's relevant controls over areas of significant risks; and
  - the Company's business processes in respect of classes of transactions that are significant to the financial statements;
- Audit procedures performed by the engagement team included:
  - 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;
- 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 a similar nature and complexity;
  - appropriate training, knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory requirements specific to the Company.
- We did not identify any material matters relating to non-compliance with laws and regulations or relating to fraud.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAPEZE GROUP (UK) LIMITED  
(CONTINUED)**

---

**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*

Rhian Owen  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cardiff  
Date: 24/3/2022

**TRAPEZE GROUP (UK) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	15,708,319	12,840,442
Cost of sales		(6,210,621)	(5,760,901)
<b>Gross profit</b>		<b>9,497,698</b>	<b>7,079,541</b>
Administrative expenses		(7,338,374)	(5,113,299)
Other operating income	5	64,109	-
<b>Operating profit</b>	6	<b>2,223,433</b>	<b>1,966,242</b>
Interest receivable and similar income	10	1,527	1,665
Interest payable and expenses	11	(455,754)	(376,492)
<b>Profit before tax</b>		<b>1,769,206</b>	<b>1,591,415</b>
Tax on profit	12	(809,674)	(310,292)
<b>Profit for the financial year</b>		<b>959,532</b>	<b>1,281,123</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 13 to 29 form part of these financial statements.

**TRAPEZE GROUP (UK) LIMITED**  
**REGISTERED NUMBER:04160790**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	2,252,075	2,252,075
Tangible fixed assets	14	1,281,969	1,478,650
Investments	15	1	-
		<u>3,534,045</u>	<u>3,730,725</u>
<b>Current assets</b>			
Stocks	16	9,709	98,826
Debtors: amounts falling due within one year	17	16,579,411	12,321,454
Cash at bank and in hand	18	56,507	23,133
		<u>16,645,627</u>	<u>12,443,413</u>
Creditors: amounts falling due within one year	19	(15,565,229)	(7,711,193)
<b>Net current assets</b>		<u>1,080,398</u>	<u>4,732,220</u>
<b>Total assets less current liabilities</b>		<u>4,614,443</u>	<u>8,462,945</u>
Creditors: amounts falling due after more than one year	20	(1,137,687)	(1,290,465)
Deferred taxation	21	(332,744)	-
		<u>(332,744)</u>	<u>-</u>
<b>Net assets</b>		<u><u>3,144,012</u></u>	<u><u>7,172,480</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	2	2
Share premium account	22	903,316	903,316
Profit and loss account	22	2,240,694	6,269,162
		<u><u>3,144,012</u></u>	<u><u>7,172,480</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24/3/2022

*Soren Peder Westermann*

**S P Westermann**  
Director

The notes on pages 13 to 29 form part of these financial statements.

---

**TRAPEZE GROUP (UK) LIMITED**


---



---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 January 2020	2	903,316	6,269,162	7,172,480
Profit and total comprehensive income for the year	-	-	959,532	959,532
Dividends: Equity capital	-	-	(4,988,000)	(4,988,000)
<b>At 31 December 2020</b>	<b>2</b>	<b>903,316</b>	<b>2,240,694</b>	<b>3,144,012</b>

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**


---

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
At 1 January 2019	2	903,316	4,988,039	5,891,357
Profit and total comprehensive income for the year	-	-	1,281,123	1,281,123
<b>At 31 December 2019</b>	<b>2</b>	<b>903,316</b>	<b>6,269,162</b>	<b>7,172,480</b>

The notes on pages 13 to 29 form part of these financial statements.

---

**TRAPEZE GROUP (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**1. General information**

Trapeze Group (UK) Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Unit A1, Methuen Park, Chippenham, England, SN14 0GT.

These financial statements are prepared in sterling which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest thousand.

The principal activity of the Company is business and domestic software development.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the effect of future accounting standards adopted.

**2.3 Going concern**

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company is dependent on funds provided by Modaxo Europe A/S, its immediate parent company. Modaxo Europe A/S has indicated that for at least 12 months from the date of the approval of these financial statements it will make such funds available to Trapeze Group UK as and when needed to meet its financial obligations.



---

**TRAPEZE GROUP (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.4 Revenue**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value added tax, returns, rebates and discounts after eliminating sales within the Company.

To determine whether to recognise revenue, the Company follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Software licences and hardware sales are recognised when the customer obtains control of the asset, which is on delivery of the asset. When delivery of goods is delayed at the buyers request, the customer specifically acknowledges the deferred delivery instructions and the usual payment terms apply; revenue is recognised when the customer takes title of the goods.

Consultancy and service revenues provided on a time and materials basis are recognised when the service has been performed. For services provided on a fixed price basis, revenue is recognised when the Company has a present right to receive payment for the service performed. Maintenance and warranty renewals are recognised rateably over the period of the contract.

When a contract consists of various components that operate independently of each other, the Company recognises revenue for each component as if it were an individual contract.

**2.5 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The estimated useful lives range is as follows:

Intellectual property	-	5 years
Customer relationship	-	5 years

---

**TRAPEZE GROUP (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.6 Goodwill**

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the Company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probably and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to the Statement of Comprehensive Income. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for amortisation calculated to write off the amount systematically over a period chosen by the Directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the Directors, would be misleading.

**2.7 Tangible fixed assets**

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

---

**TRAPEZE GROUP (UK) LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**2. Accounting policies (continued)**
**2.7 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- Straight line over the lease term
Leased equipment	- Straight line over the lease term
Fixtures and fittings	- 5 years
Computer equipment	- 3 years
ROU assets	- Period of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.8 Leases**

Under IFRS 16 Leases, which the company has adopted in these Financial Statements, a right-of-use asset and associated lease liability have been recognised. The amounts to be recognised are affected by the expected lease term, which may not be the same as the formal term of the lease. Consequently, a judgment is required to determine the expected lease termination date based on anticipated operational requirements. The circumstances of each lease, which for the company relate principally to office premises, have been assessed to determine the most likely lease termination date, being either the break date (if the break is likely to be exercised) or the lease end date. Management has not assumed any extensions beyond the lease end dates.

In 2019 the company, for the first time, applied IFRS 16 Leases. The date of initial application of IFRS 16 is 1 January 2019. The company has applied IFRS 16 using the modified retrospective approach, without restatement of the comparative information. In respect of these leases which were previously treated as operating leases, the carrying value is as if the Standard had been applied since the commencement date, but discounted using the company's incremental borrowing rate at the date of initial application. Right-of-use assets, principally property related assets, comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

**2.9 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

---

**TRAPEZE GROUP (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.11 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Net realisable value is based on the selling price less anticipated costs to completion and selling costs.

**2.12 Debtors**

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

**2.13 Cash and cash equivalents**

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

**2.14 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.15 Government grants**

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Statement of Financial Position and are subsequently recognised in the Statement of Comprehensive Income on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the the Statement of Comprehensive Income in the periods in which the expenditure is recognised.

---

**TRAPEZE GROUP (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.16 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**2.17 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.18 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

---

**TRAPEZE GROUP (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.19 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.20 Research and development**

In the research phase and development phase of an internal project, all expenditure shall be recognised as an expense when it is incurred.

---

**TRAPEZE GROUP (UK) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgments that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

**Revenue recognition**

Management applies judgment when a contract involves delivery of multiple components. Judgment will be required here to determine whether these should be 'bundled' together or treated as distinct and accounted for as separate performance obligations. It is not expected that this aggregation will change either the period over which revenue is recognised or how the Company's significant revenue streams are classified and reported.

IFRS 15 requires that the incremental costs of obtaining a contract, including sales commissions paid to employees, are recognised in line with the transfer of goods/services to the customers. For those relevant costs that are currently expensed as incurred, recognising these over the period that performance obligations are satisfied would not result in a material change to the financial results for the year.

Management also assess whether the Company is the primary obligor in the arrangement involving third party services, licence and/or maintenance, which is generally consistent with the Company retaining fulfillment, inventory, and credit risks, among others.

**Estimates impairment of goodwill**

The Company tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates such as discount rate and growth rate factors.

**Deferred tax assets**

The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future taxable profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

---

**TRAPEZE GROUP (UK) LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**4. Turnover**

The whole of the turnover is attributable to software consultancy and supply.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	14,441,349	11,988,635
Rest of Europe	885,098	659,033
Rest of the world	381,872	192,774
	<u>15,708,319</u>	<u>12,840,442</u>

**5. Other operating income**

	2020 £	2019 £
Government grants receivable	64,109	-
	<u>64,109</u>	<u>-</u>

**6. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	203,633	212,449
Impairment of intangible assets	-	384,378
	<u>-</u>	<u>384,378</u>

**7. Auditor's remuneration**

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2020 £	2019 £
Fees for audit of the Company	23,500	18,000
	<u>23,500</u>	<u>18,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.



---

**TRAPEZE GROUP (UK) LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**8. Employees**

Staff costs, including Directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	6,264,713	4,333,903
Social security costs	624,699	551,828
Cost of defined contribution scheme	210,887	201,566
	<u>7,100,299</u>	<u>5,087,297</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Research and development staff	16	19
Maintenance and professional services staff	47	55
Administrative and recharge staff	36	30
Sales and marketing staff	13	11
	<u>112</u>	<u>115</u>

**9. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	698,070	515,428
Company contributions to defined contribution pension schemes	22,689	26,236
	<u>720,759</u>	<u>541,664</u>

During the year retirement benefits were accruing to 4 Directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £306,068 (2019 - £219,519).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £7,500 (2019 - £7,500).

---

**TRAPEZE GROUP (UK) LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**10. Interest receivable**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other interest receivable	<b>1,527</b>	<b>1,665</b>

**11. Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other loan interest payable	<b>329,715</b>	<b>346,512</b>
Loans from group undertakings	<b>99,363</b>	<b>-</b>
IFRS 16 lease interest	<b>26,676</b>	<b>29,980</b>
	<b>455,754</b>	<b>376,492</b>

**12. Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>331,713</b>	<b>375,636</b>
<b>Total current tax</b>	<b>331,713</b>	<b>375,636</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>495,045</b>	<b>(65,344)</b>
Effect of tax rate change on opening balance	<b>(17,084)</b>	<b>-</b>
<b>Total deferred tax</b>	<b>477,961</b>	<b>(65,344)</b>
<b>Taxation on profit on ordinary activities</b>	<b>809,674</b>	<b>310,292</b>

# TRAPEZE GROUP (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 12. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,769,206	1,591,415
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	336,149	302,369
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	-	7,923
Expenses not deductible for tax purposes	128	-
Remeasurement of deferred tax for changes in tax rates	34,545	-
Movement in deferred tax not recognised	438,852	-
<b>Total tax charge for the year</b>	<b>809,674</b>	<b>310,292</b>

### 13. Intangible assets

	Intellectual property £	Goodwill £	Customer relations £	Total £
<b>Cost</b>				
At 1 January 2020	329,118	2,748,944	415,763	3,493,825
At 31 December 2020	329,118	2,748,944	415,763	3,493,825
<b>Amortisation</b>				
At 1 January 2020	329,118	496,869	415,763	1,241,750
At 31 December 2020	329,118	496,869	415,763	1,241,750
<b>Net book value</b>				
At 31 December 2020	-	2,252,075	-	2,252,075
At 31 December 2019	-	2,252,075	-	2,252,075

# TRAPEZE GROUP (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 13. Intangible assets (continued)

#### Goodwill

Goodwill is allocated to the company's cash generating units as follows:

	2020 £
Action Information Management Limited	1,366,512
Trapeze Passenger Transport Information Limited	250,000
Grampian Software Holdings Limited	490,108
Southern Computer Systems Ltd (Fleetmaster)	145,455
	<u>2,252,075</u>

### 14. Tangible fixed assets

	Leasehold Improvement £	Leased Equipment £	Fixtures and Fittings £	Computer Equipment £	ROU Assets £	Total £
<b>Cost or valuation</b>						
At 1 January 2020	21,952	36,835	20,639	762,452	1,620,039	2,461,917
Additions	-	-	-	6,952	-	6,952
At 31 December 2020	<u>21,952</u>	<u>36,835</u>	<u>20,639</u>	<u>769,404</u>	<u>1,620,039</u>	<u>2,468,869</u>
<b>Depreciation</b>						
At 1 January 2020	19,372	36,835	17,167	718,031	191,862	983,267
Charge for the year	2,580	-	402	20,505	180,146	203,633
At 31 December 2020	<u>21,952</u>	<u>36,835</u>	<u>17,569</u>	<u>738,536</u>	<u>372,008</u>	<u>1,186,900</u>
<b>Net book value</b>						
At 31 December 2020	<u>-</u>	<u>-</u>	<u>3,070</u>	<u>30,868</u>	<u>1,248,031</u>	<u>1,281,969</u>
At 31 December 2019	<u>2,580</u>	<u>-</u>	<u>3,472</u>	<u>44,421</u>	<u>1,428,177</u>	<u>1,478,650</u>

---

**TRAPEZE GROUP (UK) LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**15. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
Additions	1
At 31 December 2020	<u>1</u>

Trapeze Group (UK) Limited acquired a newly incorporated company, Toranto Systems Limited.

**16. Stocks**

	2020 £	2019 £
Raw materials and consumables	<u>9,709</u>	<u>98,826</u>

**17. Debtors**

	2020 £	2019 £
Trade debtors	2,899,863	1,530,141
Amounts owed by group undertakings	11,514,750	8,539,016
Prepayments and accrued income	662,415	769,304
Amounts recoverable on long term contracts	1,502,383	1,337,776
Deferred taxation	-	145,217
	<u>16,579,411</u>	<u>12,321,454</u>

**18. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	<u>56,507</u>	<u>23,133</u>

---

**TRAPEZE GROUP (UK) LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**19. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Payments received on account	175,561	281,985
Trade creditors	317,449	341,651
Amounts owed to group undertakings	7,391,159	630,979
Corporation tax	114,640	615,645
Other taxation and social security	1,090,605	436,171
Lease liabilities	168,845	169,560
Accruals and deferred income	6,306,970	5,235,202
	<u>15,565,229</u>	<u>7,711,193</u>

**20. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Lease liabilities	1,111,715	1,272,465
Accruals and deferred income	25,972	18,000
	<u>1,137,687</u>	<u>1,290,465</u>

**21. Deferred taxation**

	2020 £	2019 £
At beginning of year	145,217	79,873
(Credited)/Charged to the profit and loss account	(477,961)	65,344
<b>At end of year</b>	<u>(332,744)</u>	<u>145,217</u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Tax losses carried forward	51,949	47,285
Short term timing differences	(384,693)	97,932
	<u>(332,744)</u>	<u>145,217</u>

---

**TRAPEZE GROUP (UK) LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**22. Reserves****Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**23. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**24. Contingent liabilities**

There were no contingent liabilities at 31 December 2020 or 31 December 2019.

**25. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £210,887 (2019: £201,566).

Contributions totalling £38,822 (2019: £39,424) were payable to the fund at the year end date and are included within creditors.

**26. Financial commitments**

Further to an acquisition by Taranto Systems Limited (subsidiary of Trapeze Group (UK) Limited) on 16 October 2020, Trapeze Group (UK) Limited have agreed to be a guarantor for the sole purpose of guaranteeing the obligations of Taranto Systems Limited, if Taranto Systems Limited were to default on their obligations under the terms of the acquisition agreement.

**27. Related party transactions**

As permitted by FRS101 related party transactions with wholly owned members of Constellation Software Inc. have not been disclosed.

---

**TRAPEZE GROUP (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**28. Ultimate parent company**

The immediate parent company is Modaxo Europe A/S. The ultimate parent undertaking and controlling entity is Constellation Software Inc, a Company incorporated in Canada.

Under Companies Act 2006 section 401, the Company has taken exemption from producing consolidated accounts as it is included in a non-EEA group accounts of larger group. The smallest group in which the results of the Company are consolidated is that headed by Modaxo Europe A/S, a Company incorporated in Denmark. The largest group in which the results of the Company are consolidated is that headed by Constellation Software Inc. The consolidated financial statements of this group are available to the public and may be obtained from Unit A1, Methuen Park, Chippenham, England, SN14 0GT.