

Registered number: 04529917

VEBRA SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

TUESDAY



ACCUPA02

A38

26/09/2023

#37

COMPANIES HOUSE

VEBRA SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	C Bryant S Fletcher
Registered number	04529917
Registered office	The Cooperage 5 Copper Row London England SE1 2LH

VEBRA SOLUTIONS LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3
Directors' Responsibilities Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6 - 7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 27

VEBRA SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

This Strategic report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. The Strategic report contains certain forward-looking statements. These statements are made by the Directors in good faith, based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

For the year ended 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the period in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Principal activities

The principal activity of the Company is the design and sale of property management software systems for use by property professionals operating in the United Kingdom.

Business model and strategy

The Company is a subsidiary of Vebra Limited and is part of the Zephyr Midco 2 Limited Group of companies (together 'the Group'). The Company supports the wider strategy of the Group in its mission to deliver efficiency to its partners, helping them operate their businesses more effectively and by providing data to improve transparency for its consumers to help them make smarter property and household decisions.

Financial performance

The Company generated revenue of £18,010k for the year ended 31 December 2022 (2021: £14,147k). Revenues were up 27% driven by new business wins and migration of legacy software products from elsewhere in the Group to the Company's flagship Alto SaaS platform.

The Company made a profit of £2,809k for the year ended 31 December 2022 (2021 - £2,019k).

The Company ended the year with £3k of cash and cash equivalents (2021 - £413k). This reduction was due to the Company, in line with the Group's treasury strategy, becoming part of a cash pooling arrangement with an intermediate holding company. As a result of the cash pooling, all cash is swept on a daily basis into an intermediate holding company account with a corresponding adjustment in intercompany amounts due or payable. The Company is able to call on these pooled cash funds on demand.

Future developments

The Directors believe that Vebra Solutions Limited is a sustainable business that can build on its strong brand as a provider of property management software systems and its flagship SaaS Alto product to continue to grow and develop the business. The Company is significantly investing in its technology platforms to enhance the customer experience. The Company's software is used by estate and letting agencies in the UK.

VEBRA SOLUTIONS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Principal risks, uncertainties and risk management

The key business risks and uncertainties affecting the Company include macroeconomic conditions, competitive environment, data protection, IT systems and cyber security. Full details of the Group's risk management structure can be found in the Zephyr Midco 2 Limited Annual report and financial statements for the year ended 31 December 2022. Copies can be obtained from the address listed in Note 1 of these financial statements.

Corporate and social responsibility

The Company's corporate and social responsibility policies also follow the Group and can be found in the Zephyr Midco 2 Limited Annual report and financial statements for the year ended 31 December 2022.

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion, the Directors have considered the financial projections of the parent company, Zephyr Midco 2 Limited, and its subsidiaries (together 'the Group'), which covers a period of 12 months from the date of signing the financial statements. For details of the Directors assessment of going concern, see note 2.4. On this basis the directors have concluded that it remains appropriate to prepare the financial statements on the going concern basis.

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

S. Fletcher

S Fletcher
Director

Date: 21 June 2023

VEBRA SOLUTIONS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Results and dividends

The Company made a profit of £2,809k in respect of the year ended 31 December 2022 (2021 - £2,019k).

Further details of the Company's results are included in the financial statements from page 5 onwards.

No dividend was paid during the year. The Directors do not recommend any final dividend for the year ended 31 December 2022 (2021 - £nil).

Directors

The Directors who held office during the year and up to the date of signing these financial statements were as follows:

C Bryant
S Fletcher

Directors' indemnities and insurance

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report. The Company's parent has also arranged Directors' and officers' insurance cover in respect of legal action against the Directors of the Company. The policy includes cover for the Directors of the Company. Neither the indemnity nor the insurance provides cover in the event that a Director is proven to have acted dishonestly or fraudulently.

Charitable and political contributions

No charitable or political donations were made during the year ended 31 December 2022 (2021 - £nil).

Post balance sheet events

There are no events subsequent to the balance sheet date which require adjustments to or disclosure within the financial statements.

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

S. Fletcher

**S Fletcher
Director**

Date: 21 June 2023

VEBRA SOLUTIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors are responsible for preparing the Directors report and 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 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 to 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.

VEBRA SOLUTIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Revenue	4	18,010	14,147
Administrative expenses		(15,633)	(12,538)
Operating profit	5	2,377	1,609
Finance income		-	16
Finance costs	7	37	(15)
Profit before tax		2,414	1,610
Tax on profit	8	395	409
Profit for the financial year		2,809	2,019

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 9 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	Restated 2021 £000
Fixed assets			
Intangible assets	9	9,197	7,350
Tangible fixed assets	10	51	176
Debtors: due after more than one year	11	25,968	26,096
		<u>35,216</u>	<u>33,622</u>
Current assets			
Debtors: amounts falling due within one year	11	2,441	1,957
Current tax assets		52	133
Assets held for sale	12	137	186
Cash and cash equivalents	13	3	413
		<u>2,633</u>	<u>2,689</u>
Current Liabilities			
Trade and other payables	14	(38,307)	(39,130)
Lease liabilities	15	(16)	(77)
Net current liabilities		<u>(35,690)</u>	<u>(36,518)</u>
Total assets less current liabilities		<u>(474)</u>	<u>(2,896)</u>
Lease liabilities	15	(5)	(66)
Deferred taxation	16	(5)	(496)
Provisions	17	(116)	(63)
Net liabilities		<u>(600)</u>	<u>(3,521)</u>

VEBRA SOLUTIONS LIMITED
REGISTERED NUMBER: 04529917

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

		2022	2021
		£000	£000
Capital and reserves			
Called up share capital	18	-	-
Retained earnings		(600)	(3,521)
		<u>(600)</u>	<u>(3,521)</u>

For the year ended 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the period in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

S. Fletcher

S Fletcher
Director

Date: 21 June 2023

The notes on pages 9 to 27 form part of these financial statements.

VEBRA SOLUTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Retained earnings £000	Total equity £000
At 1 January 2021	-	(5,540)	(5,540)
Comprehensive income for the year			
Profit for the year	-	2,019	2,019
At 1 January 2022	-	(3,521)	(3,521)
Comprehensive income for the year			
Profit for the year	-	2,809	2,809
Contributions by and distributions to owners			
Share based payments	-	112	112
At 31 December 2022	-	(600)	(600)

The notes on pages 9 to 27 form part of these financial statements.

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Vebra Solutions Limited is a private company limited by shares domiciled and incorporated in the United Kingdom. The address of the registered office is The Cooperage, 5 Copper Row, London, England, SE1 2LH.

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 presentational currency of the financial statements is Pound Sterling (£).

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

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 paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- 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 requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of Zephyr Midco 2 Limited as at 31 December 2022 and these financial statements may be obtained from The Cooperage, 5 Cooper Row, London, SE1 2LH.

The Company is a wholly owned subsidiary of Vebra Limited and an indirectly owned subsidiary of Zephyr Midco 2 Limited. The Company is included in the consolidated accounts of Zephyr Midco 2 Limited, comprising Zephyr Midco 2 Limited and its subsidiaries (the "Group").

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.3 Impact of new international reporting standards, amendments and interpretations

No new standards have been adopted by the Company for the year ended 31 December 2022.

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company for future financial periods.

2.4 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion, the Directors have considered the financial projections of the Group, which covers a period of 12 months from the date of signing these financial statements.

In order to gain comfort over the Group's ability to continue as a going concern, the Directors have modelled the Group's cash flow position in relation to the current situation for the 12 months following the date of the signing of these accounts. The Group is subject to covenants under its current debt structure and throughout the cash flow forecast period there is sufficient headroom on the financial covenants. The Group has the ability to support the Company for at least the twelve months from the date of signing of the financial statements.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The Director's consideration of uncertainties that the business will face in the next 12 months are captured within the principal risks disclosed in the Strategic report. As at the year end, the Company has a cash balance of £3k as a result of the cash pooling arrangement with the Group mentioned on page 1 (2021 - £413k), net current liabilities of £35,690k (2021 - net current liabilities of £36,518k) and net liabilities of £600k (2021 - £3,521k).

2.5 Revenue

Revenue represents amounts due for services provided during the year, net of Value Added Tax ("VAT"), with the VAT liability being recognised at the date of invoice.

Revenue is derived principally from subscriptions for the provision of property software to UK domestic and commercial estate agents. Performance obligations are satisfied, and revenue recognised, from the point where the customer can use the software. Total expected revenue from each contract, including the initial fees charged for the installation of the software, is spread over the life of the contract. Other software revenues where the services were provided at a point in time (such as onboarding and training fees) are recognised in the period when the performance obligations are met.

2.6 Employee benefits: defined contribution scheme

The Company operates a defined contribution pension scheme which is a post-employment benefit plan under which the Company pays fixed contributions into a fund. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years. Contributions payable to the fund are charged to the Statement of comprehensive income in the year to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Finance income and costs

Finance income represents interest receivable on cash and deposit balances. Interest income is recognised as it accrues using the effective interest method.

Finance costs represent interest charged on finance leases, bank loans and overdraft balances. Finance costs are recognised on an accruals basis using the effective interest method.

Foreign exchange gains and losses are recognised monthly based on the translation of assets and liabilities held in foreign currencies to Pound Sterling and realised gains and losses on transactions recorded in the year. The Company's principal exposure is to the US Dollar, through agreements with a number of suppliers based in the United States. The Directors are comfortable that any sensitivity to fluctuations in exchange rates would not have a material impact on the results of the Company.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.9 Intangible assets

Intangible assets with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the Statement of comprehensive income on a straight-line basis over the estimated useful lives of the intangible assets.

The estimated useful lives range as follows:

Software	-	over 3 to 5 years
----------	---	-------------------

The Company incurs expenditure on research and development in order to develop new products.

Research expenditure is expensed in the year in which it is incurred.

Development costs are expensed when incurred unless they meet certain criteria for capitalisation. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Capitalised development costs are presented in these financial statements as additions to software assets and are only amortised once the asset is available for use at which point it is then depreciated on a straight-line basis over their expected useful economic life.

Research and Development tax credit claims made are recognised as a credit to administrative expenses in the financial year relevant to the claim.

At each statement of financial position date, the Directors review the carrying amounts of intangible assets to determine whether there is any indication that those assets are impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Any impairment loss is recognised immediately in the statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.10 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. This cost includes the purchase price, directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and are not revalued.

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.

Depreciation is provided on the following basis:

Leasehold improvements	- over the lease term
Fixtures and fittings	- over 3 to 5 years
Right of use assets	- over the lease term

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 profit or loss.

2.11 Impairment of tangible and intangible assets

At each Statement of financial position date, the Directors review the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets are impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Any impairment loss is recognised immediately in the Statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that this increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in the Statement of comprehensive income.

2.12 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Leases (continued)

the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate. The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use 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.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the property, plant and equipment line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.13.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

The Company has made use of the practical expedient available to not recognise right-of-use assets and lease liabilities for short term leases of computer equipment that have a lease term of twelve months or less and leases of low valued assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.13 Financial instruments

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Financial assets and financial liabilities are recognised on the Statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

IFRS 9 "Financial Instruments" prescribes the rules for recognition and measurement of financial instruments. The standard requires the use of an expected loss model when determining an appropriate provision related to trade receivables. The Company has applied this model and uses both historical analysis and macroeconomic factors in determining the resulting provisions against trade receivables.

Trade and other receivables are designated as loans and receivables. They are recognised at amortised cost, which is net of any allowance for expected credit losses. This is deemed to be a reasonable approximation of their fair value. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition through detailed analysis of historical payment profiles and past default experience. When a trade receivable is deemed uncollectable, it is written off against the allowance account.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Trade and other payables are not interest bearing and are designated as other financial liabilities. They are recognised at their carrying amount, which is deemed to be a reasonable approximation of their fair value.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The Company's Ordinary Shares are classified as equity instruments and are recognised at the proceeds received, net of any direct issue costs.

Financial instruments are not used for speculative purposes.

The Company's cash and cash equivalents represent amounts held in the Company's current accounts and overnight deposits that are immediately available.

2.14 Provisions for liabilities

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at Management's best estimate of the expenditure required to settle the obligation at the Statement of financial position date and are discounted to present value where the impact is material. The unwinding of any discount is recognised in finance costs.

Dilapidation provisions are recognised based on Management's best estimate of costs to make good the Company's leasehold properties at the end of the lease term.

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Management make certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within future periods are discussed below.

Capitalisation of development time

Time spent by the Company's employees in software development is capitalised as an internally generated intangible asset when the requirements of IAS 38 and of the Company policy are both met. Management judgement is applied in the assessment of the project against the development criteria of IAS 38.

4. Revenue

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	18,010	14,147
	<u>18,010</u>	<u>14,147</u>

5. Operating profit

The operating profit/(loss) is stated after charging/(crediting):

	2022 £000	2021 £000
Research and development tax (credit)/charge	(40)	83
Depreciation of property, plant and equipment	88	102
Amortisation of intangible assets	4,062	2,843
Defined contribution pension cost	173	217

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Employees

Staff costs were as follows:

	2022	2021
	£000	£000
Wages and salaries	5,043	3,916
Social security costs	443	595
Defined contribution pension cost	173	217
Share-based payments	59	-
	5,718	4,728

Staff costs are shown net of capitalised development costs of £2,157k (2021: £2,917k).

The average monthly number of employees, during the year/period was as follows:

	2022	2021
	No.	No.
Administrative	83	82

Directors were remunerated by other Group companies.

7. Finance costs

	2022	2021
	£000	£000
Bank interest payable	2	4
Interest on lease liabilities	7	11
Re-measurement of lease liabilities	(46)	-
	(37)	15

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Taxation

	2022	2021
	£000	£000
Corporation tax		
Current tax on profits for the year	6	-
Adjustments in respect of previous periods	90	63
Total current tax	96	63
Deferred tax		
Origination and reversal of timing differences	(442)	(454)
Effect of change in tax rate	(139)	119
Adjustment in respect of prior years	90	(137)
Total deferred tax	(491)	(472)
Taxation credit	(395)	(409)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£000	£000
Profit on ordinary activities before tax	2,414	1,610
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	459	306
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12	33
Adjustments in respect of prior periods	180	(73)
Effect of change in tax rates	(139)	119
Non-taxable income	(2)	-
Group relief	(905)	(794)
Total tax charge for the year	(395)	(409)

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Taxation (continued)**Factors that may affect future tax charges**

The Finance Act 2021, which was substantively enacted on 24 May 2021, included an increase in the main rate of UK corporation tax to 25% from 1 April 2023 from 19% as seen within the year and comparative period. This rate has been substantively enacted at the balance sheet date of 31 December 2021, and as a result, the deferred tax balances as at 31 December 2021 have been revalued.

9. Intangible assets

	Software £000
Cost	
At 1 January 2022	14,440
Additions	5,909
At 31 December 2022	<u>20,349</u>
Amortisation	
At 1 January 2022	7,090
Charge for the year	4,062
At 31 December 2022	<u>11,152</u>
Net book value	
At 31 December 2022	<u>9,197</u>
At 31 December 2021	<u>7,350</u>

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Right of use assets £000	Total £000
Cost or valuation				
At 1 January 2022	11	109	367	487
Additions	-	8	-	8
Disposals	-	-	(282)	(282)
At 31 December 2022	11	117	85	213
Depreciation				
At 1 January 2022	7	71	233	311
Charge for the year	4	15	69	88
Disposals	-	-	(237)	(237)
At 31 December 2022	11	86	65	162
Net book value				
At 31 December 2022	-	31	20	51
At 31 December 2021	4	38	134	176

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Trade and other receivables

	2022 £000	Restated 2021 £000
Due after more than one year		
Amounts owed by group undertakings	25,968	26,096
	25,968	26,096
	2022 £000	2021 £000
Due within one year		
Trade receivables	411	543
Prepayments and accrued income	2,030	1,413
Other receivables	-	1
	2,441	1,957

All trade and other receivables are classified as current assets. The Directors consider that the carrying value of trade and other receivables is approximate to their fair value. The carrying value also represents the maximum credit exposure.

Amounts due from other Group companies do not accrue interest and are repayable on demand. The increase in amounts due from other Group companies was due to operational activity across the Group. Given the profitability of the counterparties, the Directors consider the amounts fully recoverable.

For details of the prior year adjustment, refer to note 21.

12. Assets held for sale

	2022 £000	2021 £000
Property held for sale	137	186
	137	186

As at 31 December 2022 the Company had a property held for sale. The amount of £137k (2021: £186k) represents the net book carrying value of the property which was previously held in Freehold Buildings.

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	3	413
	3	413

14. Trade and other payables

	2022	Restated 2021
	£000	£000
Trade payables	409	218
Accruals and deferred income	857	1,289
Other taxation and social security	853	715
Other payables	4	-
Amounts owed to group companies	36,184	36,908
	38,307	39,130

The Directors consider that the carrying value of trade and other payables is approximate to their fair value. All trade and other payables are considered current liabilities.

Amounts due to other Group companies do not accrue interest and are repayable on demand.

For details of the prior year adjustment, refer to note 21.

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Leases**Company as a lessee**

The Company is a lessee in leases for vehicles.

Lease liabilities are due as follows:

	2022	2021
	£000	£000
Current	16	77
Non-current	5	66
	21	143

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2022	2021
	£000	£000
Interest expense on lease liabilities	7	11
Re-measurement of lease liabilities	(46)	-

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Deferred taxation

	2022 £000
At beginning of year	(496)
Credited to profit or loss	442
Effect of change in tax rate	139
Adjustment in respect of prior years	(90)
At end of year	(5)

The provision for deferred taxation is made up as follows:

	2022 £000	2021 £000
PPE and computer software	(33)	(525)
Other timing differences	28	29
	(5)	(496)

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. Management believe that the Company will generate sufficient future profits in order to support the recognition of the deferred tax asset.

The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2022 £000	2021 £000
Deferred tax assets	28	29
Deferred tax liabilities	(33)	(525)
	(5)	(496)

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Provisions

	Dilapidation provision £000	Other provision £000	Total £000
At 1 January 2022	63	-	63
Charged to profit or loss	(63)	116	53
At 31 December 2022	-	116	116

The additional provision in the year is related to restructuring costs that were committed as of 31 December 2022. The restructuring payments were paid in full by February 2023.

VEBRA SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Share capital

	2022 £	2021 £
Authorised, allotted, called up and fully paid		
1 (2021 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

The Ordinary Shares carry one vote per share and rights to dividends. There were no share transactions for the year ended 31 December 2022 (2021 - none).

19. Related party transactions

In the ordinary course of business, the Company has traded with other subsidiaries of its parent company, Zephyr Holdco Limited. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the Group. Balances with these entities are disclosed in notes 11 and 14 of these financial statements.

20. Post balance sheet events

There are no events subsequent to the balance sheet date which require adjustments to or disclosure within the financial statements.

21. Prior year adjustment: Accrued and Deferred Income

In the prior year, accruals and deferred income included a balance of £915k which relates to accrued income. A prior year adjustment has been recognised to correctly include this balance within trade and other receivables. The impact of this adjustment is to increase prepayments and accrued income by £915k, and a corresponding increase in accruals and deferred income. There is no impact on net assets or the statement of comprehensive income as a result of this.

22. Ultimate controlling party

The Company's share capital is owned by Vebra Limited.

The largest group of which the Company is a member and for which group accounts are drawn up for the year ended 31 December 2022 is that of Zephyr Luxco S.a.r.l. The smallest group of which the Company is a member and for which group accounts are drawn up for the year ended 31 December 2022 is that of Zephyr Midco 2 Limited, incorporated in the United Kingdom and registered in England and Wales at the address below. Copies of the report and accounts are available from The Cooperage, 5 Copper Row, London SE1 2LH.

The ultimate controlling party of the Company is Silver Lake (Offshore) AIV GP V Ltd.