

Company Registration No. 06080277 (England and Wales)

MARKLOGIC (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2020

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MARKLOGIC (UK) LIMITED

COMPANY INFORMATION

Directors	D Jung C R Carsen D Fletcher
Company number	06080277
Registered office	1st Floor West Wing Davidson House Forbury Square Reading Berkshire RG1 3EU
Auditor	James Cowper Kreston Reading Bridge House George Street Reading Berkshire RG1 8LS
Business address	41 Lothbury London EC2R 7HF

MARKLOGIC (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2020

The directors present the strategic report for the year ended 31 January 2020.

Fair review of the business

MarkLogic® is the world's best database for integrating data from silos. MarkLogic is an operational and transactional Enterprise NoSQL database platform, and organizations around the world rely on it to integrate their most critical data and build innovative applications on a 360-degree view of that data. MarkLogic makes it easy to get data in and easy to get data out, and it is 100 percent trusted to run critical business operations.

MarkLogic is designed to integrate data from silos better, faster, and with less cost. With MarkLogic, you can integrate data and build your 360-degree view up to four times faster than if using a traditional database. And, you do not have to sacrifice any of the enterprise features required for storing and managing mission-critical data.

- **Easy to Get Data In** – Ingest structured and unstructured data as is with a flexible data model that adapts to changing data. MarkLogic natively stores JSON, XML, text, geospatial, and semantic triples
- **Easy to Get Data Out** – With an "Ask Anything" universal index, you can run lightning fast searches across all of your data. MarkLogic also provides APIs and other tools to enable fast application development and deployment
- **100% Trusted** – MarkLogic is enterprise ready, having ACID transactions, scalability and elasticity, certified security, high availability and disaster recovery, and other enterprise features required to run large businesses.

MarkLogic (UK) Limited ("the Company") is a subsidiary of MarkLogic Corporation, a company incorporated and duly organised under the laws of the state of Delaware, United States. MarkLogic (UK) Limited was incorporated in 2007 and acts as a holding company to various established global entities located in Australia, Canada, France, Germany, Japan, Netherlands, Philippines, and Singapore. MarkLogic (UK) Limited and subsidiaries ("the Group") provides sales, marketing and technical service support exclusively to MarkLogic Corporation in the United States.

The Group is compensated by MarkLogic Corporation through cost plus arrangements. The Group's business strategy is to increase sales of MarkLogic's product and services to its customers as well as service customers locally in the respective local markets.

Average employee headcount of the Group in the year 31 January 2020 has stayed relatively consistent at 138 as compared to the prior year headcount of 139.

Turnover has decreased by 7.6% to £27,363,824 (£29,600,529 FY2019) and profit before tax of £1,295,674 (£1,443,005 FY2019). This is primarily due to the cost reduction campaigns in order to improve the financial health of the Group.

The balance sheet of the Group has remained in line with the expectation of management. Net assets have increased by £782,248 to £4,346,705 primarily due to an increase in cash held at year-end.

Key performance indicators

Given the straightforward nature of the business, being cost plus subsidiaries of MarkLogic Corporation, the directors are of the opinion that analysis using KPIs other than turnover and operating profit is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The Group is subject to a number of risks and uncertainties common to groups in similar industries, and stages of development, including, but not limited to, the uncertainty of economic, political and market conditions, management of growth, dependence on key individuals, management of international operations, intellectual property protection and other litigation risks, competition from substitute products and services of larger companies and product development risk. Management ensures that risks and uncertainties are monitored and appropriate actions are taken if any new risks arise.

MARKLOGIC (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

Financial risk management objectives and policies

The directors review and agree to policies for managing each of these risks and they are summarised below.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group has sufficient reserves of cash and additional funding will be provided by MarkLogic Corporation if required to maintain liquidity of the Group.

Interest rate risk

The Group finances its operations through retained profits and cash resources. The Group's cash assets are held in operating accounts. They do not attract interest and are therefore not subject to interest rate risk.

Exchange rate risk

Each subsidiary of the Group are held in functional local currency. The conversion rate is subject to exchange rate risk against the pound sterling.

Credit risk

The Group's principal financial asset is cash. The credit risk associated with cash balances are limited. The directors continue to closely monitor bank credit worthiness.

Future developments

The Group continues to be focused on growing market share across our international territories focused on enterprise customers by providing diverse solutions that support operational and transactional Enterprise NoSQL database solutions across these areas.

Events after the reporting date

Subsequent to the Company's financial year end, the World Health Organization (WHO) announced on 31 January 2020 a global health emergency related to a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the associated risks to international communities, and the global economy, as the virus spreads beyond its point of origin. On 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic due to a rapid increase in global exposures. These events are having a significant negative impact on global stock markets, currencies, and general business activities. The timing and extent of the impact and recovery from the COVID-19 outbreak is unknown but may have an impact on the Company's and Group's activities in an uncertain global market.

An affiliated entity of Vector Capital completed an acquisition of the MarkLogic Corporation in 2020. In order to facilitate the transaction, Vector Capital V, L.P. ("Vector Fund V"), one of Vector Capital's private equity funds, formed Vector Maven Holdings, L.P., a Delaware limited partnership ("Holdings LP"), Vector Maven Holdings, Inc. ("Parent" or "Acquirer"), and Vector Maven Merger Sub, Inc., a Delaware corporation ("Merger Sub") and wholly owned subsidiary of Parent. On October 20, 2020 ("Closing"), Merger Sub was merged with and into the Company (the "Merger" or "Transaction"), at which time the separate existence of Merger Sub ceased, and the Company continued as the surviving company (the "Surviving Company"). As a result of the Merger, Parent owns 100% of the Company.

MARKLOGIC (UK) LIMITED

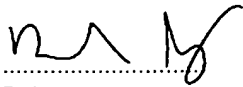
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. The directors have assessed the availability of support from Marklogic (UK) Limited's parent company, MarkLogic Corporation, and determined that the Company and group have sufficient working capital for its need for at least the next 12 months from the date of approval of these financial statements. In view of this, the directors consider it appropriate to prepare the financial statements on the going concern basis.

On behalf of the board



D Jung
Director

Date: 7 October 2021

MARKLOGIC (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2020

The directors present their annual report and financial statements for the year ended 31 January 2020.

Principal activities

The principal activity of the Company and Group continued to be that of the provision of sales, marketing and technical support functions to MarkLogic Corporation.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P S Norman	(Resigned 20 October 2020)
E W Smith	(Resigned 24 February 2020)
D Jung	(Appointed 24 February 2020)
C R Carsen	(Appointed 13 March 2021)
D Fletcher	(Appointed 17 December 2020)

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

James Cowper Kreston were appointed as auditor to the group during the year and is deemed to be reappointed under section 487(2) of the Companies Act 2006.

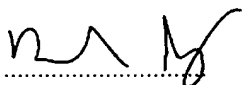
Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of business activities, risk, future developments and events after the reporting date.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board



D Jung

Director

Date: 7 October 2021

MARKLOGIC (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JANUARY 2020

The directors are responsible for preparing the Strategic Report and 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). 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 Group and Company, and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKLOGIC (UK) LIMITED

Opinion

We have audited the financial statements of MarkLogic (UK) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 January 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheet, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 January 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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.

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 Group's or the parent 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKLOGIC (UK) LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Group's and the parent 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 Group or the parent 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 Group financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARKLOGIC (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 Auditors' 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.



Alan Poole BA(Hons) ACA (Senior Statutory Auditor)
For and on behalf of James Cowper Kreston
Chartered Accountants and Statutory Auditor
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

11 October 2021

MARKLOGIC (UK) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	2019 £
Turnover	3	27,363,824	29,600,529
Cost of sales		(61,450)	(62,041)
Gross profit		27,302,374	29,538,488
Administrative expenses		(25,990,929)	(28,077,683)
Operating profit	7	1,311,445	1,460,805
Interest receivable and similar income	9	288	748
Interest payable and similar expenses	10	(16,059)	(18,548)
Profit before taxation		1,295,674	1,443,005
Tax on profit	11	(418,712)	(457,745)
Profit for the financial year		876,962	985,260
Other comprehensive income			
Currency translation differences		(94,715)	40,763
Total comprehensive income for the year		782,247	1,026,023

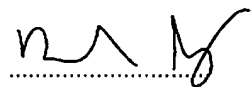
Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

MARKLOGIC (UK) LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 JANUARY 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13		214,983		346,184
Current assets					
Debtors	16	3,036,256		2,628,857	
Cash at bank and in hand		5,291,503		4,138,046	
		8,327,759		6,766,903	
Creditors: amounts falling due within one year	17	(4,182,339)		(3,531,939)	
Net current assets			4,145,420		3,234,964
Total assets less current liabilities			4,360,403		3,581,148
Provisions for liabilities	18		(13,698)		(16,690)
Net assets			4,346,705		3,564,458
Capital and reserves					
Called up share capital	20		1		1
Profit and loss reserves	21		4,346,704		3,564,457
Total equity			4,346,705		3,564,458

The financial statements were approved by the board of directors and authorised for issue on 7 October 2021 and are signed on its behalf by:



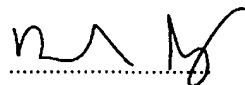
D Jung
Director

MARKLOGIC (UK) LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 JANUARY 2020**

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		145,922		273,329
Investments	14		283,911		283,911
			<u>429,833</u>		<u>557,240</u>
Current assets					
Debtors	16	1,444,829		1,790,944	
Cash at bank and in hand		<u>2,270,995</u>		<u>1,168,236</u>	
		3,715,824		2,959,180	
Creditors: amounts falling due within one year	17	<u>(2,078,775)</u>		<u>(1,678,452)</u>	
Net current assets			<u>1,637,049</u>		<u>1,280,728</u>
Total assets less current liabilities			<u>2,066,882</u>		<u>1,837,968</u>
Provisions for liabilities	18		<u>(13,698)</u>		<u>(16,136)</u>
Net assets			<u>2,053,184</u>		<u>1,821,832</u>
Capital and reserves					
Called up share capital	20		1		1
Profit and loss reserves	21		<u>2,053,183</u>		<u>1,821,831</u>
Total equity			<u>2,053,184</u>		<u>1,821,832</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes as it prepares group financial statements. The Company's profit for the year was £231,352 (2019 - £1,303,811 profit).

The financial statements were approved by the board of directors and authorised for issue on 7 October 2021 and are signed on its behalf by:



D Jung
Director

MARKLOGIC (UK) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2018		1	4,538,434	4,538,435
Year ended 31 January 2019:				
Profit for the year		-	985,260	985,260
Other comprehensive income:				
Currency translation differences		-	40,763	40,763
Total comprehensive income for the year		-	1,026,023	1,026,023
Dividends	12	-	(2,000,000)	(2,000,000)
Balance at 31 January 2019		1	3,564,457	3,564,458
Year ended 31 January 2020:				
Profit for the year		-	876,962	876,962
Other comprehensive income:				
Currency translation differences		-	(94,715)	(94,715)
Total comprehensive income for the year		-	782,247	782,247
Balance at 31 January 2020		1	4,346,704	4,346,705

MARKLOGIC (UK) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2018		1	2,518,020	2,518,021
Year ended 31 January 2019:				
Profit and total comprehensive income for the year		-	1,303,811	1,303,811
Dividends	12	-	(2,000,000)	(2,000,000)
Balance at 31 January 2019		1	1,821,831	1,821,832
Year ended 31 January 2020:				
Profit and total comprehensive income for the year		-	231,352	231,352
Balance at 31 January 2020		1	2,053,183	2,053,184

MARKLOGIC (UK) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	22	2,080,316		1,112,682	
Interest paid		(16,059)		(18,548)	
Income taxes paid		(699,846)		(405,512)	
Net cash inflow from operating activities		1,364,411		688,622	
Investing activities					
Purchase of tangible fixed assets		(125,976)		(108,075)	
Proceeds on disposal of tangible fixed assets		-		7,312	
Interest received		288		748	
Net cash used in investing activities		(125,688)		(100,015)	
Financing activities					
Dividends paid to equity shareholders		-		(2,000,000)	
Net cash used in financing activities		-		(2,000,000)	
Net increase/(decrease) in cash and cash equivalents		1,238,723		(1,411,393)	
Cash and cash equivalents at beginning of year		4,138,046		5,513,176	
Effect of foreign exchange rates		(85,266)		36,263	
Cash and cash equivalents at end of year		5,291,503		4,138,046	

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

Company information

MarkLogic (UK) Limited ("the Company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is 1st Floor West Wing, Davidson House, Forbury Square, Reading, Berkshire, RG1 3EU.

The Group consists of MarkLogic (UK) Limited and all of its subsidiaries.

The Company's and the Group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The consolidated financial statements including the Company can be found on pages 8 to 29.

The financial statements have been prepared with the adoption of the FRS 102 Triennial Review 2017 amendments in full. This is the first set of financial statements where the Triennial Review amendments have been adopted. There have been no changes to amounts presented in respect of transactions or balances in any of the main statements as a result of adoption of the changes, but certain disclosures have been updated in line with the new requirements.

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of MarkLogic (UK) Limited and all of its subsidiaries (i.e. entities that the Company controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 January 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. There were no business combinations during the periods presented.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. The directors have assessed the availability of support from MarkLogic (UK) Limited's parent company, MarkLogic Corporation, and determined that the Company and group have sufficient working capital for its need for at least the next 12 months from the date of approval of these financial statements. In view of this, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

The majority of turnover shown in the statement of comprehensive income, represents amounts receivable from MarkLogic Corporation, primarily for the provision of sales, marketing and technical support functions, exclusive of Value Added Tax. There is also an element of third party sales as indicated below.

Turnover in respect of sales, marketing and technical services provided to MarkLogic Corporation is calculated as attributable costs plus a mark up in accordance with separate intercompany agreements between MarkLogic (UK) Limited and its subsidiary companies and MarkLogic Corporation.

MarkLogic (Germany) GmbH is the only group entity which makes direct sales to customers. The Company derives revenue from license fees for software and fees for services which are complimentary to its products, including support, consulting and training. All revenue amounts are presented net of Value Added tax.

Software license revenue is recognised when: (1) persuasive evidence of an arrangement exists; (2) delivery of the products has occurred; (3) the fee is fixed or determinable; and (4) collection is probable. The Company generally licenses its software on a perpetual basis and generally recognizes license fees upon delivery of the products. Software license sales to resellers or distributors are generally recognized when the licenses are sold through to an end user. Revenue on arrangements with acceptance criteria is deferred until acceptance is obtained from the customer or until the acceptance periods lapse.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% - 25% straight line
Fixtures and fittings	33.33% straight line
Equipment	33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

In the separate financial statements of the Company, interests in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts due to fellow group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

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

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Group are recorded at the fair value of the proceeds received, net of direct issue costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies (Continued)

Share-based payments

The Company participates in a group share-based payment arrangement granted by MarkLogic Corporation to its employees and employees of its subsidiaries. The Group has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the Group recognised in the financial statements of MarkLogic Corporation. The directors consider the number of unvested options granted to the Group's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense. The expense for the MarkLogic (UK) Limited Group is recognised in the Consolidated Statement of Comprehensive Income.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there to be any key judgements or estimates.

3 Turnover and other revenue

An analysis of the Group's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Provision of services	27,363,824	29,600,529

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

3 Turnover and other revenue (Continued)

	2020 £	2019 £
Other revenue		
Interest income	288	748
	<u>288</u>	<u>748</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United States of America	27,300,798	29,536,897
Europe	63,026	63,632
	<u>27,363,824</u>	<u>29,600,529</u>

4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Sales	70	74	25	24
Professional services	39	41	10	12
Training & support	8	7	4	5
Marketing & development	14	12	8	5
Administration	7	5	3	3
	<u>138</u>	<u>139</u>	<u>50</u>	<u>49</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	16,084,692	17,653,223	5,432,730	6,442,046
Social security costs	2,104,273	2,040,266	793,565	783,375
Pension costs	669,700	596,857	146,654	127,718
	<u>18,858,665</u>	<u>20,290,346</u>	<u>6,372,949</u>	<u>7,353,139</u>

5 Directors' remuneration

During both the current and prior years, the directors were remunerated by MarkLogic Corporation. The directors do not receive any fees or emoluments from the Group as their duties are incidental to their main duties to MarkLogic Corporation.

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

6 Share-based payment transactions

Group	Number of share options		Weighted average exercise price	
	2020 Number	2019 Number	2020 \$	2019 \$
Outstanding at 1 February 2019	2,410,305	2,229,671	2.91	2.93
Granted	593,500	712,300	2.63	2.89
Forfeited	(259,866)	(508,812)	2.90	2.98
Exercised	(24,247)	(28,254)	2.55	2.87
Transferred	98,690	5,400	2.35	2.73
Outstanding at 31 January 2020	2,818,382	2,410,305	2.67	2.91
Exercisable at 31 January 2020	2,818,382	2,410,305	2.67	2.91

The options outstanding at 31 January 2020 had an exercise price ranging from \$1.30 to \$3.90 and a remaining contractual life of 5.10 years.

Group

Under the terms of the group stock plan operated by MarkLogic Corporation, the fair value of each option award is estimated using the Black-Scholes option valuation model using weighted-average assumptions for volatility, expected term, and risk-free interest rate. The expected volatility rate is based on the historical volatility of public traded companies within the same or similar line of business in comparable industries. The expected term of options granted is derived from historical data on employee exercises and post-vesting employment termination behaviour. The risk-free rate is based on the U.S. Treasury rates in effect during the corresponding period of grant. Forfeitures are estimated at the time of grant and revised if necessary in subsequent periods if actual forfeitures differ from those estimates. Changes in estimated forfeitures will be recognised through a cumulative catch-up adjustment in the period of change and will also impact the amount of compensation expenses to be recognised in future periods.

	Group 2020 £	2019 £
Expenses recognised in the year		
Arising from equity settled share based payment transactions	353,999	325,529

7 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging:		
Exchange losses	1,818	19,925
Depreciation of owned tangible fixed assets	246,981	271,998
Loss on disposal of tangible fixed assets	747	1,821
Share-based payments	353,999	325,529
Operating lease charges	1,189,128	1,262,764

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

8 Auditor's remuneration	2020	2019
	£	£
Fees payable to the Company's auditor and its associates:		
For audit services		
Audit of the financial statements of the Group and Company	16,000	26,250
	<u> </u>	<u> </u>
9 Interest receivable and similar income	2020	2019
	£	£
Interest income		
Interest on bank deposits	288	748
	<u> </u>	<u> </u>
10 Interest payable and similar expenses	2020	2019
	£	£
Other interest on financial liabilities	16,059	18,548
	<u> </u>	<u> </u>
11 Taxation	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	131,385	137,983
Adjustments in respect of prior periods	35	4
	<u> </u>	<u> </u>
Total UK current tax	131,420	137,987
Foreign current tax on profits for the current period	298,208	326,171
Adjustments in foreign tax in respect of prior periods	(24,864)	(19,083)
	<u> </u>	<u> </u>
Total current tax	404,764	445,075
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	11,893	11,908
Changes in tax rates	(673)	-
Adjustment in respect of prior periods	990	1,749
Foreign exchange differences	1,738	(987)
	<u> </u>	<u> </u>
Total deferred tax	13,948	12,670
	<u> </u>	<u> </u>
Total tax charge	418,712	457,745
	<u> </u>	<u> </u>

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020; however, in March 2020 the Chancellor announced that the tax rate would remain at 19%. These rates have been used to measure deferred tax assets and liabilities, where applicable.

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

11 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,295,674	1,443,005
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	246,178	274,171
Tax effect of expenses that are not deductible in determining taxable profit	40,681	66,779
Change in unrecognised deferred tax assets	(39)	(35)
Adjustments in respect of prior years	(24,907)	(19,079)
Effect of change in corporation tax rate	4,054	(1,070)
Share based payment charge	45,059	33,389
Deferred tax adjustments in respect of prior years	990	1,749
Fixed asset differences	19,785	19,785
Additional foreign tax suffered	95,417	97,867
Other adjustments	(8,506)	(15,811)
Taxation charge	418,712	457,745

12 Dividends

	2020 £	2019 £
Final paid	-	2,000,000

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

13 Tangible fixed assets

Group	Leasehold improvements £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 February 2019	429,596	97,134	529,442	1,056,172
Additions	-	4,444	121,532	125,976
Disposals	-	-	(28,058)	(28,058)
Exchange adjustments	99	(695)	(21,023)	(21,619)
At 31 January 2020	429,695	100,883	601,893	1,132,471
Depreciation and impairment				
At 1 February 2019	276,236	77,420	356,332	709,988
Depreciation charged in the year	106,432	20,347	120,202	246,981
Eliminated in respect of disposals	-	-	(27,311)	(27,311)
Exchange adjustments	(83)	(674)	(11,413)	(12,170)
At 31 January 2020	382,585	97,093	437,810	917,488
Carrying amount				
At 31 January 2020	47,110	3,790	164,083	214,983
At 31 January 2019	153,360	19,714	173,110	346,184
Company				
	Leasehold improvements £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 February 2019	416,525	93,611	303,859	813,995
Additions	-	4,444	61,476	65,920
Disposals	-	-	(6,190)	(6,190)
At 31 January 2020	416,525	98,055	359,145	873,725
Depreciation and impairment				
At 1 February 2019	266,864	75,401	198,401	540,666
Depreciation charged in the year	104,131	19,198	69,998	193,327
Eliminated in respect of disposals	-	-	(6,190)	(6,190)
At 31 January 2020	370,995	94,599	262,209	727,803
Carrying amount				
At 31 January 2020	45,530	3,456	96,936	145,922
At 31 January 2019	149,661	18,210	105,458	273,329

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	283,911	283,911

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 February 2019 and 31 January 2020	283,911
Carrying amount	
At 31 January 2020	283,911
At 31 January 2019	283,911

15 Subsidiaries

Details of the company's subsidiaries at 31 January 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
MarkLogic (Germany) GmbH	a)	Sales marketing and support	Ordinary	100.00	-
MarkLogic (Netherlands) B.V.	b)	Sales marketing and support	Ordinary	100.00	-
MarkLogic Australia Pty. Ltd.	c)	Sales marketing and support	Ordinary	100.00	-
MarkLogic Canada Ltd.	d)	Support	Ordinary	100.00	-
MarkLogic France SAS	e)	Sales marketing and support	Ordinary	100.00	-
MarkLogic K.K.	f)	Sales marketing and support	Ordinary	100.00	-
MarkLogic Philipines Corp.	g)	Sales marketing and support	Ordinary	100.00	-
MarkLogic Singapore Pte. Ltd.	h)	Sales marketing and support	Ordinary	100.00	-

The investments in subsidiaries are all stated at cost.

- a) Theatinerstr. 11, 8. Etage (8th Floor), Munich 80333, Germany
- b) Graadt van Roggenweg 328, 3531 AH Utrecht, Netherlands
- c) Level 21/55 Collins Street, Melbourne, Victoria 3000, Australia
- d) Suite 2400, 756 Thurlow St., Vancouver BC V6E 0C5, Canada
- e) 23 Rue Balzac, 75008 Paris, France
- f) 22F Shibuya Mark City West, 1-12-1 Dogenzaka, Shibuya-ku, Tokyo 150-0043, Japan
- g) 7/F Glorietta 4, Ayala Center, Makati City 1224, Philippines
- h) 4 Robinson Road, #05-01, The House of Eden, Singapore 048543

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

16 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Corporation tax recoverable	48,861	-	-	-
Amounts owed by group undertakings	-	979,964	9,039	965,030
Other debtors	1,043,256	1,037,855	556,795	564,019
Prepayments and accrued income	1,865,060	515,019	877,097	251,115
	<u>2,957,177</u>	<u>2,532,838</u>	<u>1,442,931</u>	<u>1,780,164</u>
Deferred tax asset (note 18)	79,079	96,019	1,898	10,780
	<u>3,036,256</u>	<u>2,628,857</u>	<u>1,444,829</u>	<u>1,790,944</u>

17 Creditors: amounts falling due within one year

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Trade creditors	159,575	71,843	35,500	35,188
Amounts due to group undertakings	1,734,462	-	1,247,144	177
Corporation tax payable	-	246,221	40,575	59,081
Other taxation and social security	692,057	564,319	220,451	261,538
Deferred income	15,025	15,368	-	-
Other creditors	5,766	6,842	5,799	9,884
Accruals	1,575,454	2,627,346	529,306	1,312,584
	<u>4,182,339</u>	<u>3,531,939</u>	<u>2,078,775</u>	<u>1,678,452</u>

18 Deferred taxation

The major deferred tax liabilities and assets recognised by the Group and Company are:

	Liabilities 2020	Liabilities 2019	Assets 2020	Assets 2019
	£	£	£	£
Group				
Accelerated capital allowances	13,698	16,690	1,157	-
Tax losses	-	-	77,922	96,019
	<u>13,698</u>	<u>16,690</u>	<u>79,079</u>	<u>96,019</u>

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

18 Deferred taxation (Continued)

Company	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	13,698	16,136	-	-
Tax losses	-	-	1,898	10,780
	<u>13,698</u>	<u>16,136</u>	<u>1,898</u>	<u>10,780</u>
			Group 2020 £	Company 2020 £
Movements in the year:				
Liability/(asset) at 1 February 2019			(79,329)	5,356
Charge to profit or loss			13,948	6,444
Liability/(asset) at 31 January 2020			<u>(65,381)</u>	<u>11,800</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	<u>669,700</u>	<u>596,857</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. At the year end there was an amount of £26,218 (2019: £31,098) outstanding and included within creditors.

20 Share capital

Ordinary share capital Issued and fully paid	Group and company 2020 £	2019 £
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

21 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

22 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	876,962	985,260
Adjustments for:		
Taxation charged	418,712	457,745
Finance costs	16,059	18,548
Investment income	(288)	(748)
Loss on disposal of tangible fixed assets	747	1,821
Depreciation and impairment of tangible fixed assets	246,981	271,998
Movements in working capital:		
(Increase) in debtors	(375,478)	(934,218)
Increase in creditors	896,964	364,325
(Decrease) in deferred income	(343)	(52,049)
Cash generated from operations	2,080,316	1,112,682

23 Analysis of changes in net funds - group

	1 February 2019 £	Cash flows £	Exchange rate movements £	31 January 2020 £
Cash at bank and in hand	4,138,046	1,238,723	(85,266)	5,291,503

24 Operating lease commitments

Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	263,672	949,547	83,672	334,686
Between one and five years	-	256,528	-	83,672
	263,672	1,206,075	83,672	418,358

MARKLOGIC (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

25 Events after the reporting date

Subsequent to the company's financial year end, the World Health Organization (WHO) announced on 31 January 2020 a global health emergency related to a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the associated risks to international communities, and the global economy, as the virus spreads beyond its point of origin. On 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic due to a rapid increase in global exposures. These events are having a significant negative impact on global stock markets, currencies, and general business activities. The timing and extent of the impact and recovery from the COVID-19 outbreak is unknown but may have an impact on the Company's and Group's activities in an uncertain global market.

An affiliated entity of Vector Capital completed an acquisition of the MarkLogic Corporation in 2020. In order to facilitate the transaction, Vector Capital V, L.P. ("Vector Fund V"), one of Vector Capital's private equity funds, formed Vector Maven Holdings, L.P., a Delaware limited partnership ("Holdings LP"), Vector Maven Holdings, Inc. ("Parent" or "Acquirer"), and Vector Maven Merger Sub, Inc., a Delaware corporation ("Merger Sub") and wholly owned subsidiary of Parent. On October 20, 2020 ("Closing"), Merger Sub was merged with and into the Company (the "Merger" or "Transaction"), at which time the separate existence of Merger Sub ceased, and the Company continued as the surviving company (the "Surviving Company"). As a result of the Merger, Parent owns 100% of the Company.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group is as follows:

	2020 £	2019 £
Aggregate compensation	1,065,910	478,875

27 Controlling party

The directors regard MarkLogic Corporation, a company incorporated in the United States of America and duly organised under the laws of the state of Delaware, to be the immediate and ultimate parent undertaking and the largest group for which consolidated financial statements are prepared.

The registered address of MarkLogic Corporation is 999 Skyway Road, Suite 200, San Carlos, California, CA 94070, USA.

The smallest group for which consolidated financial statements are prepared is that of MarkLogic (UK) Limited and can be found on pages 8 to 29.

The directors consider there to be no ultimate controlling party.