

Company Registration No. 06518321 (England and Wales)

Dalet UK Limited

**Annual report and financial statements
for the year ended 31 December 2022**

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Dalet UK Limited

Company information

Directors	Mr S Schlayen Mr D Lasry
Company number	06518321
Registered office	Network House Basing View Basingstoke Hampshire RG21 4HG
Independent auditor	Saffery Champness LLP Midland House 2 Poole Road Bournemouth Dorset BH2 5QY

Dalet UK Limited

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Dalet UK Limited

Directors' report

For the year ended 31 December 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the Company continued to be that of software tools that transform film, video and audio content into file-based formats required by professional broadcast and media distribution companies.

Directors

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

Mr S Schlayen

Mr D Lasry

Mr N R E Breugnon

(Resigned 15 October 2022)

Financial instruments

Principal risks and uncertainties

The Directors continue to consider the principal risks facing the Company result from both technological and market changes. The broadcast market is changing rapidly in terms of digital, high definition and file based workflows, however they believe that the Company is positioned to convert these changes into opportunities. The Company seeks to minimise the risk inherent in technology through constant dialogue with major global organisations.

Financial risk

The company is exposed to foreign currency risk on sales and purchases in a currency other than the functional currency of the Company (sterling).

The exposure to foreign currency risk is managed by holding deposits in foreign currencies to settle monthly trading transactions.

Credit risk

The company is dependent on a relatively small number of customers. As such there is concentration of credit risk which could materially and adversely affect the Company's financial results. The credit worthiness of the customers is continually monitored by management.

Cash flow and liquidity risk

The Company meets its spending commitments from trading activities and funding from its controlling shareholder. The Company monitors cash flow as part of its day to day control procedures and the Board considers cash flow projections regularly.

Dalet UK Limited

Directors' report (continued)
For the year ended 31 December 2022

Going concern

The ultimate parent has agreed to provide financial support to the Company as it may require for its continued operations for a period of not less than one year from the date of this report.

Research and development

Research and development is concentrated on software tools that transform film, video and audio content into file-based formats. During the year the average number of staff employed on research and development was 13 (2021 - 12).

Future developments

The Directors consider that the Company is well placed in the market and remain confident about the Company's prospects for the next year and beyond.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

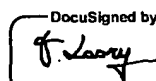
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

DocuSigned by:

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Mr D Lasry
Director

29 March 2023 | 17:59:01 BST
Date:

Dalet UK Limited

**Directors' responsibilities statement
For the year ended 31 December 2022**

The directors are responsible for preparing the annual 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 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Dalet UK Limited

Independent auditor's report To the members of Dalet UK Limited

Opinion

We have audited the financial statements of Dalet UK Limited ('the company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including 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 company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 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.

Dalet UK Limited

Independent auditor's report (continued) To the members of Dalet UK Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 the 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Dalet UK Limited

Independent auditor's report (continued)

To the members of Dalet UK Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Dalet UK Limited

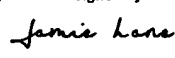
Independent auditor's report (continued)
To the members of Dalet UK Limited

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Jamie Lane

Senior Statutory Auditor
For and on behalf of Saffery Champness LLP

31 March 2023 | 09:00:46 BST
Date:

Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Dalet UK Limited**Statement of income and retained earnings
For the year ended 31 December 2022**

		2022	2021
	Notes	£	£
Turnover	3	2,475,832	3,215,518
Cost of sales		(739,434)	(1,159,250)
Gross profit		1,736,398	2,056,268
Administrative expenses		(1,770,757)	(1,805,982)
Operating (loss)/profit	4	(34,359)	250,286
Interest payable and similar expenses	7	(77,909)	(57,672)
(Loss)/profit before taxation		(112,268)	192,614
Tax on (loss)/profit	8	93,542	55,872
(Loss)/profit for the financial year		(18,726)	248,486
Retained earnings brought forward		(3,561,631)	(3,810,117)
Retained earnings carried forward		(3,580,357)	(3,561,631)

There are no recognised gains and losses other than those passing through the Statement of income and retained earnings.

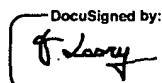
The Statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

Dalet UK Limited**Balance sheet****As at 31 December 2022**

	Notes	£	2022 £	£	2021 £
Fixed assets					
Tangible assets	9		92,604		27,940
Current assets					
Stocks	10	256		496	
Debtors	11	969,754		1,578,524	
Cash at bank and in hand		1,160,414		1,587,802	
		2,130,424		3,166,822	
Creditors: amounts falling due within one year	12	(1,938,993)		(2,892,001)	
Net current assets			191,431		274,821
Net assets			284,035		302,761
Capital and reserves					
Called up share capital	14		1,664,599		1,664,599
Share premium account	15		2,199,793		2,199,793
Profit and loss reserves			(3,580,357)		(3,561,631)
Total equity			284,035		302,761

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

The financial statements were approved by the board of directors and authorised for issue on 29 March 2023 | 17:59:01 BST and are signed on its behalf by:

DocuSigned by:


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Mr D Lasry

Director

Company Registration No. 06518321 (England and Wales)

Dalet UK Limited

Notes to the financial statements For the year ended 31 December 2022

1 Accounting policies

Company information

Dalet UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Network House, Basing View, Basingstoke, Hampshire, RG21 4HG.

1.1 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 company. Monetary amounts in these financial statements are rounded to the nearest £.

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

This 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:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- 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 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Dalet SA. These consolidated financial statements are available from its registered office, 16, rue Rivay, 92300 Levallois-Perret, France.

1.2 Going concern

The ultimate parent has agreed to provide financial support to the company as it may require for its continued operations for a period of not less than one year from the date of signing these financial statements.

Dalet UK Limited

Notes to the financial statements (continued)
For the year ended 31 December 2022

1 Accounting policies (continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company reports revenue under two revenue categories:

- Software and software-related service revenues, which includes software licences, sale of professional services, hardware and training; and
- Maintenance and support revenues, which are recurring in nature.

Software licences - The company recognises the revenue allocated to software licences when all the following conditions have been satisfied:

- The company has transferred to the buyer the significant risks and rewards of ownership of the licence;
- The company retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

Hardware revenue - recognised as the products are shipped.

Other services (which include the sale of professional services and training) - revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all of the following conditions are satisfied:

- The amount of revenue can be measured easily;
- It is probable that the economic benefits associated with the transaction will flow to the company;
- The state of completion of the transaction at the balance sheet date can be measured reliably; and
- The cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

Maintenance and support - revenue is recognised on a straight-line basis over the term of the contract. Revenue not recognised in the statement of income and retained earnings under this policy is classified as deferred revenue in the balance sheet.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred, except that development expenditure incurred on an individual project is capitalised when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Dalet UK Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022**1 Accounting policies (continued)****1.5 Tangible fixed assets**

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

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	33% straight line
Office and computer equipment	33-50% 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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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 the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Dalet UK Limited

Notes to the financial statements (continued)
For the year ended 31 December 2022

1 Accounting policies (continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company 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 in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 debtors, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 company after deducting all of its liabilities.

Dalet UK Limited

Notes to the financial statements (continued)
For the year ended 31 December 2022

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Dalet UK Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022

1 Accounting policies (continued)***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

Dalet UK Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022**2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company'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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Bad debt provisions

The trade debtors balance of £272,432 recorded in the Company's Balance Sheet comprises a relatively small number of large balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

3 Turnover

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	1,044,431	1,768,017
Rest of Europe	656,966	771,286
Rest of the World	774,435	676,215
	<u>2,475,832</u>	<u>3,215,518</u>

Dalet UK Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022**4 Operating (loss)/profit**

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(40,202)	31,944
Research and development costs	-	387,747
Fees payable to the company's auditor for the audit of the company's financial statements	21,500	18,750
Depreciation of owned tangible fixed assets	26,539	26,939
Profit on disposal of tangible fixed assets	-	(250)
Operating lease charges	39,571	39,491
	<u> </u>	<u> </u>

5 Employees

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

	2022	2021
	Number	Number
Sales, marketing and customer services	2	5
Administration	6	4
Research and development	13	12
	<u> </u>	<u> </u>
Total	21	21
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	1,193,379	1,207,983
Social security costs	145,867	136,634
Pension costs	49,530	49,484
	<u> </u>	<u> </u>
	1,388,776	1,394,101
	<u> </u>	<u> </u>

Dalet UK Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022**6 Directors' remuneration**

	2022	2021
	£	£
Remuneration for qualifying services	<u>22,400</u>	<u>23,796</u>

7 Interest payable and similar expenses

	2022	2021
	£	£
Interest payable to group undertakings	<u>77,909</u>	<u>57,672</u>

8 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	(93,542)	(50,967)
Adjustments in respect of prior periods	-	(4,905)
Total current tax	<u>(93,542)</u>	<u>(55,872)</u>

The actual credit for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
(Loss)/profit before taxation	<u>(112,268)</u>	<u>192,614</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(21,331)	36,597
Tax effect of expenses that are not deductible in determining taxable profit	1,565	(515)
Under/(over) provided in prior years	6,327	(4,905)
Fixed asset differences	(2,878)	(290)
Additional deduction for R&D expenditure	(62,096)	(86,759)
Deferred tax not recognised	<u>(15,129)</u>	<u>-</u>
Taxation credit for the year	<u>(93,542)</u>	<u>(55,872)</u>

Dalet UK Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022**8 Taxation (continued)****Factors that may affect future tax charges**

On 24 May 2021 the Finance Bill 2021 was substantively enacted confirming the corporation tax rate will increase to 25% from 1 April 2023.

There is no deferred tax asset or liability recognised in the Balance Sheet of the Company. There is a deferred tax asset calculated at 25% (2021 - 25%) of £3,111,712 (2021 - £3,131,619) which has not been recognised due to the losses incurred by the company in recent periods, and the uncertainty as to when the deferred tax assets will be available for the use against future taxable periods.

9 Tangible fixed assets

	Leasehold improvements	Office and computer equipment	Total
	£	£	£
Cost			
At 1 January 2022	52,540	46,540	99,080
Additions	-	91,203	91,203
At 31 December 2022	52,540	137,743	190,283
Depreciation and impairment			
At 1 January 2022	52,384	18,756	71,140
Depreciation charged in the year	156	26,383	26,539
At 31 December 2022	52,540	45,139	97,679
Carrying amount			
At 31 December 2022	-	92,604	92,604
At 31 December 2021	156	27,784	27,940

10 Stocks

	2022	2021
	£	£
Finished goods and goods for resale	256	496

Dalet UK Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022**11 Debtors**

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	272,432	228,029
Corporation tax recoverable	101,333	52,431
Amounts owed by group undertakings	83,667	769,278
Other debtors	17,629	19,856
Prepayments and accrued income	494,693	508,930
	<u>969,754</u>	<u>1,578,524</u>

Included in prepayments and accrued income is £321,971 (2021: £367,883) of accrued income relating to fellow group undertakings.

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	71,791	42,893
Amounts owed to group undertakings	1,308,607	2,200,647
Taxation and social security	67,921	63,198
Accruals and deferred income	490,674	585,263
	<u>1,938,993</u>	<u>2,892,001</u>

13 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>49,530</u>	<u>49,484</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

There were no outstanding pension commitments outstanding at 31 December 2022.

Dalet UK Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2022**14 Share capital**

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
1,664,599 Ordinary shares of £1 each	1,664,599	1,664,599

15 Reserves**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

16 Operating lease commitments**Lessee**

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

	2022	2021
	£	£
Within one year	15,589	41,572
Between two and five years	-	25,289
	<u>15,589</u>	<u>66,861</u>

17 Related party transactions

In accordance with Financial Reporting Standard FRS102 (section 33), the company has taken advantage of the exemption for the subsidiary undertakings, whose 100% voting rights are controlled within a group, from the requirement to disclose related party transactions.

18 Ultimate controlling party

The immediate parent of the company is Dalet SA, a company incorporated and registered in France. The ultimate parent company is Long Path Private Investment Partners, by virtue of owning a majority share in Dalet SA. Group financial statements for Dalet SA are available from 16, rue Rivay, 92300 Levallois-Perret, France.