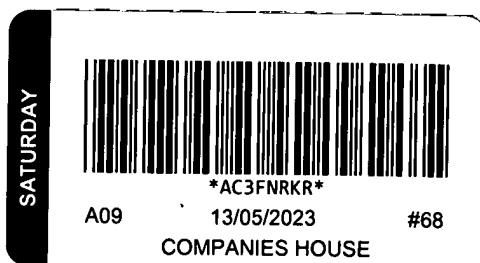


Company registration number 08033029 (England and Wales)

ACCESS SYSTEMS (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 DECEMBER 2022



ACCESS SYSTEMS (UK) LIMITED

COMPANY INFORMATION

Director	Mr Anish Kapoor
Company number	08033029
Registered office	City Tower Piccadilly Plaza Manchester M1 4BT United Kingdom
Equity funders	Route 66 Ventures LLC 2nd Floor 118 King Street Alexandria VA 22314 United States True Ventures 575, High Street, Suite 400 Palo Alto CA 94301 United States Beringea/ ProVen VCT plc 55 Drury Lane, Covent Garden London, WC2B 5SQ United Kingdom NPIF NW Clarence House Clarence Street Manchester M2 4DW United Kingdom
Auditor	Royce Peeling Green Limited The Copper Room Deva City Office Park Trinity Way Manchester M3 7BG
Bankers	Barclays Bank Plc 3 Hardman Street Manchester M3 3HF United Kingdom

ACCESS SYSTEMS (UK) LIMITED

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ACCESS SYSTEMS (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 DECEMBER 2022

The director presents the strategic report for the year ended 30 December 2022.

AccessPay continues to provide efficient access to secure financial messaging rails to integrate corporate back-office systems, connect to banks and financial services and route payments globally. In addition, new products and services are providing corporates with the ability to manage their cash resources much more effectively.

Fair review of the business

2022 has been another year of progress across all areas of the business. Of particular note has been the success of the Account Management team which has exceeded expectations in performance terms by helping existing customers to increase their use of our technology and achieve even greater benefits of security, automation and efficient cash management.

Underlying customer subscription revenue grew by 28% and the average contract value increased by 41%. The Gross £ retention rate was 94% and the Net £ retention rate was 109% reflecting the excellence of the services provided and the success of the Account Management team.

The business has also achieved some notable success in new logo acquisition and secured a record number of initial contract values > £20k with a number of blue chip customers won in competition against incumbent suppliers.

Whilst the business continues to consume cash by investing further in product development, this trend rate is declining and this is planned to continue through in 2023.

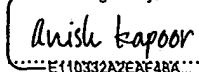
Funding

The business received £8m of new equity funding in 2022 and this was provided from longstanding existing investors as well as a new strategic investor via the parent company Access Systems Inc.

The business is well capitalised and able to take advantage of the opportunities before it and enters 2023 with a high degree of confidence despite the general economic outlook.

On behalf of the board

DocuSigned by:



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Mr Anish Kapoor

Director

27/4/2023

Date:

ACCESS SYSTEMS (UK) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 DECEMBER 2022

The director presents his annual report and financial statements for the year ended 30 December 2022.

Principal activities

The principal activity of the company was the design, development and implementation of cloud-based payment and cash management solutions.

Director

The director who held office during the year and up to the date of signature of the financial statements was :
Mr Anish Kapoor

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its director during the year. These provisions remain in force at the reporting date.

Auditor

In accordance with the company's articles, a resolution proposing that Royce Peeling Green Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

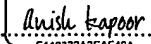
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

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.

On behalf of the board

DocuSigned by:

E110332A2EAF48A...
Mr Anish Kapoor
Director

27/4/2023
Date:

ACCESS SYSTEMS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ACCESS SYSTEMS (UK) LIMITED

Opinion

We have audited the financial statements of Access Systems (UK) Limited (the 'company') for the year ended 30 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 30 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 director's 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 director 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 auditor's report thereon. The director is 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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

ACCESS SYSTEMS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ACCESS SYSTEMS (UK) LIMITED

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 strategic report or the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- At the planning stage of the audit we gain an understanding of the laws and regulations which apply to the company and how management seek to comply with them. This helps us to make appropriate risk assessments.
- During the audit we focus on relevant risk areas and review compliance with laws and regulations through making relevant enquiries and corroboration by, for example, reviewing Board Minutes and other documentation.
- We assess the risk of material misstatement in the financial statements including as a result of fraud and undertake procedures including:
 - I. Review of controls set in place by management
 - I. Enquiry of management as to whether they consider fraud or other irregularities may have occurred or where such opportunity might exist
 - II. Challenge of management assumptions with regard to accounting estimates
 - III. Identification and testing of journal entries, particularly those which may appear to be unusual by size or nature.

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 are 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.

ACCESS SYSTEMS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ACCESS SYSTEMS (UK) LIMITED

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 member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Royce Peeling Green Limited
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Martin Chatten (Senior Statutory Auditor)
For and on behalf of Royce Peeling Green Limited

27/4/2023

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Chartered Accountants
Statutory Auditor

The Copper Room
Deva City Office Park
Trinity Way
Manchester

ACCESS SYSTEMS (UK) LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 DECEMBER 2022**

	Notes	2022 £	2021 £
Turnover	3	6,311,217	4,882,756
Cost of sales		(1,895,937)	(1,180,053)
Gross profit		<u>4,415,280</u>	<u>3,702,703</u>
Administrative expenses		(9,834,650)	(7,494,588)
Operating loss	4	(5,419,370)	(3,791,885)
Interest payable and similar expenses	8	(583,998)	(520,233)
Amounts written off investments	7	-	(56,801)
Loss before taxation		<u>(6,003,368)</u>	<u>(4,368,919)</u>
Tax on loss	9	67,443	88,750
Loss for the financial year		<u><u>(5,935,925)</u></u>	<u><u>(4,280,169)</u></u>

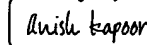
The profit and loss account has been prepared on the basis that all operations are continuing operations.

ACCESS SYSTEMS (UK) LIMITED**BALANCE SHEET****AS AT 30 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	10	3,905,217		3,637,539	
Tangible assets	11	93,582		107,271	
		<u>3,998,799</u>		<u>3,744,810</u>	
Current assets					
Debtors	12	1,554,035		1,944,263	
Cash at bank and in hand		4,636,329		1,410,939	
		<u>6,190,364</u>		<u>3,355,202</u>	
Creditors: amounts falling due within one year	13	<u>(5,760,129)</u>		<u>(5,122,339)</u>	
Net current assets/(liabilities)		<u>430,235</u>		<u>(1,767,137)</u>	
Total assets less current liabilities		<u>4,429,034</u>		<u>1,977,673</u>	
Creditors: amounts falling due after more than one year	14	<u>(4,814,201)</u>		<u>(4,439,858)</u>	
Net liabilities		<u>(385,167)</u>		<u>(2,462,185)</u>	
Capital and reserves					
Called up share capital	18	19,237,490		11,224,547	
Share premium account	19	5,257,772		5,257,772	
Equity reserve	20	327,782		327,782	
Profit and loss reserves		<u>(25,208,211)</u>		<u>(19,272,286)</u>	
Total equity		<u>(385,167)</u>		<u>(2,462,185)</u>	

27/4/2023

The financial statements were approved and signed by the director and authorised for issue on

DocuSigned by:

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Mr Anish Kapoor

Director

Company Registration No. 08033029

ACCESS SYSTEMS (UK) LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 DECEMBER 2022**

	Notes	Share capital £	Share premium account £	Equity reserve £	Profit and loss reserves £	Total £
Balance at 31 December 2020		9,182,689	5,257,772	327,782	(14,992,117)	(223,874)
Year ended 30 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(4,280,169)	(4,280,169)
Issue of share capital		2,041,858	-	-	-	2,041,858
Balance at 30 December 2021	21	11,224,547	5,257,772	327,782	(19,272,286)	(2,462,185)
Year ended 30 December 2022:						
Loss and total comprehensive income for the year		-	-	-	(5,935,925)	(5,935,925)
Issue of share capital	18	8,012,943	-	-	-	8,012,943
Balance at 30 December 2022		19,237,490	5,257,772	327,782	(25,208,211)	(385,167)

ACCESS SYSTEMS (UK) LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	24	(2,389,192)		(1,398,298)	
Interest paid		(267,199)		(240,399)	
Income taxes refunded		88,750		148,729	
Net cash outflow from operating activities		<u>(2,567,641)</u>		<u>(1,489,968)</u>	
Investing activities					
Purchase of intangible assets		(2,181,287)		(1,743,995)	
Purchase of tangible fixed assets		(38,625)		(102,066)	
Proceeds on disposal of investments		-		290	
Net cash used in investing activities		<u>(2,219,912)</u>		<u>(1,845,771)</u>	
Financing activities					
Proceeds from issue of shares		8,012,943		2,041,858	
Repayment of borrowings		-		(300,000)	
Net cash generated from financing activities		<u>8,012,943</u>		<u>1,741,858</u>	
Net increase/(decrease) in cash and cash equivalents		<u>3,225,390</u>		<u>(1,593,881)</u>	
Cash and cash equivalents at beginning of year		<u>1,410,939</u>		<u>3,004,820</u>	
Cash and cash equivalents at end of year		<u><u>4,636,329</u></u>		<u><u>1,410,939</u></u>	

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 DECEMBER 2022

1 Accounting policies

Company information

Access Systems (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is City Tower, Piccadilly Plaza, Manchester, United Kingdom, M1 4BT.

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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Access Systems (UK) Limited is a wholly owned subsidiary of Access Systems Inc. and its results are included in those consolidated financial statements which are available from the registered office.

1.2 Going concern

The company meets its day-to-day capital requirements through cash generated from trading and cash resources raised from investors.

The Director believes that the company has access to considerable financial resources and, therefore, believes that it is well placed to manage its business risks successfully.

The company's forecasts and projections show that the Director has a reasonable expectation that the company has access to sufficient resources to continue in existence for the foreseeable future. Thus the company continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

The recurring income of contracts spanning multiple accounting periods is recognised over the term of the contract. Any recurring income received but not recognised end of the accounting period is held on the balance sheet as deferred income. Professional services income is recognised on the basis of percentage of contract completion.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Development costs	3 years
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ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

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

Leasehold improvements	3 years
Fixtures and fittings	5 years
Equipment	3 years

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.8 Cash at bank and in hand

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

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

1 Accounting policies

(Continued)

Basic 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.

Trade and other debtors / creditors

Trade and other debtors and trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.11 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.

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.13 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.

1.14 Retirement benefits

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

1.15 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

1 Accounting policies

(Continued)

1.16 Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.17 Foreign exchange

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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 periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Development cost amortisation rates

All intangible assets are considered by FRS 102 to have a finite useful life. The expected useful life of the asset is estimated by the directors. The depreciable amount of an intangible asset is charged on a systematic basis over its useful life. Where there is a change in circumstance regarding the recognition criteria for capitalisation of development costs such as forecast sales of products developed this could lead to reassessment of the useful life of that asset.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Subscription turnover	5,848,474	4,585,163
Professional services turnover	462,743	297,593
	<u>6,311,217</u>	<u>4,882,756</u>
Turnover analysed by geographical market		
United Kingdom	5,304,595	4,304,234
Other	1,006,622	578,522
	<u>6,311,217</u>	<u>4,882,756</u>

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	186,353	(2,053)
Fees payable for the audit of the company's financial statements	12,000	11,000
Depreciation of owned tangible fixed assets	52,314	65,359
Amortisation of intangible assets	1,913,609	1,677,119
Operating lease charges	244,444	221,313
	<u>244,444</u>	<u>221,313</u>

5 Director's remuneration

	2022	2021
	£	£
Remuneration for qualifying services	165,532	178,004
	<u>165,532</u>	<u>178,004</u>

6 Employees

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

	2022	2021
	Number	Number
Sales & marketing	41	33
Research & development	39	28
Service delivery	18	14
General & administration	24	16
	<u>122</u>	<u>91</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	6,537,462	4,671,664
Social security costs	756,509	501,610
Pension costs	116,984	63,074
	<u>7,410,955</u>	<u>5,236,348</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.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 DECEMBER 2022

7 Amounts written off investments

	2022 £	2021 £
Gain/(loss) on disposal of fixed asset investments	-	(56,801)

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	267,199	253,265
NPIF loan note interest accrual	171,000	171,000
	438,199	424,265
Other finance costs:		
Other interest	145,799	95,968
	583,998	520,233

9 Taxation

	2022 £	2021 £
Current tax		
Adjustments in respect of prior periods	(67,443)	(88,750)

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

	2022 £	2021 £
Loss before taxation	(6,003,368)	(4,368,919)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,140,640)	(830,095)
Unutilised tax losses carried forward	1,140,640	819,303
Adjustments in respect of prior years	(67,443)	(88,750)
Other permanent differences	-	10,792
Taxation credit for the year	(67,443)	(88,750)

Deferred tax asset

The company has carried forward tax losses of some £20 million (2021: £14 million); no deferred tax asset has been recognised on the grounds that the timing of its recovery is not sufficiently certain.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

10 Intangible fixed assets

	Development costs £
Cost	
At 31 December 2021	9,646,180
Additions - internally developed	2,181,287
	<hr/>
At 30 December 2022	11,827,467
	<hr/>
Amortisation and impairment	
At 31 December 2021	6,008,641
Amortisation charged for the year	1,913,609
	<hr/>
At 30 December 2022	7,922,250
	<hr/>
Carrying amount	
At 30 December 2022	3,905,217
	<hr/> <hr/>
At 30 December 2021	3,637,539
	<hr/> <hr/>

11 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 31 December 2021	63,954	46,329	301,089	411,372
Additions	-	3,456	35,169	38,625
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2022	63,954	49,785	336,258	449,997
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
At 31 December 2021	60,922	38,749	204,430	304,101
Depreciation charged in the year	3,032	5,098	44,184	52,314
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2022	63,954	43,847	248,614	356,415
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 30 December 2022	-	5,938	87,644	93,582
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 December 2021	3,032	7,580	96,659	107,271
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	795,991	1,316,714
Corporation tax recoverable	67,443	88,750
Amounts owed by group undertakings	197,035	78,482
Other debtors	1,338	2,552
Prepayments and accrued income	492,228	457,765
	<u>1,554,035</u>	<u>1,944,263</u>

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Trade creditors		604,447	738,297
Other taxation and social security		390,984	314,549
Deferred income		4,307,656	3,684,335
Other creditors		43,865	100,670
Accruals		413,177	284,488
		<u>5,760,129</u>	<u>5,122,339</u>

14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Loan notes 2024	15	2,131,183	1,794,084
Bank loans and overdrafts	15	2,683,018	2,645,774
		<u>4,814,201</u>	<u>4,439,858</u>

15 Borrowings

	2022 £	2021 £
Loan notes 2024	2,131,183	1,794,084
Bank loans	2,683,018	2,645,774
	<u>4,814,201</u>	<u>4,439,858</u>
Payable after one year	<u>4,814,201</u>	<u>4,439,858</u>

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

15 Borrowings

(Continued)

The net proceeds received from the issue of the loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert part of the financial liability into equity.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Balance Sheet represents the effective interest rate less interest paid to that date.

The equity component of the convertible loan notes has been credited to the equity reserve.

NPIF loan notes

On 21 February 2018, the Company, the parent and the director entered into a £1,000,000 loan note agreement with NPIF NW Equity LP ("NPIF") which was fully drawn down on 22 February 2018. The loan amount including accrued interest is repayable in one repayment on 23 December 2024. Interest accrues daily at the rate of 15% per annum.

On 25 January 2019, the Company, the parent and the director entered into a further agreement with NPIF for loan notes of £350,802. The loan amount including accrued interest is repayable in one repayment on 23 December 2024. Interest accrues daily at the rate of 6% per annum.

The loan note balance is also offset by deferred arrangements costs being written off over the period of the loan notes.

Barclays loan

On 22 October 2019, the Company entered in to a £3,000,000 loan agreement with Barclays Bank UK PLC which was fully drawn down on 23 December 2019. The loan carries interest at 6% per annum.

The loan repayment schedule was renegotiated in 2021. Capital repayment of £300,000 was made in 2021. Thereafter monthly repayments will commence in January 2024 at £122,727 per month for 11 months and final capital repayment of £1.35m in December 2024. The loan balance is offset by deferred arrangements costs being written off over the period of the loan.

The bank loan is secured by a first ranking debenture and cross guarantee to be granted by each of the company and Access Financial Analytics Ltd over all of its assets and undertakings (including, without limitation, the shares of UK registered companies and overseas Subsidiaries in the group as well as over all intellectual property) and a corporate guarantee from the parent company for the benefit of the bank.

16 Share warrants

As part of various financing arrangements the company has issued warrants to a number of lenders in respect of its equity share capital or that of its parent company Access Systems Inc.

- Under the first warrant the holder has the right to subscribe for 1.1% of the company's share capital with an associated put option which gives the warrant holder the right to sell the shares received on exercise of the warrant to the parent company at fair value on the date of sale. The exercise of the warrant is limited to certain exercisable events arising.
- Under the second warrant the holder has the right to subscribe for 2.5% of the fully diluted share capital of the parent company. The warrant expires in 2038.
- Under the third warrant the holder has the right to subscribe for £420,000 of share capital in the parent company. The warrant expires in 2027.

No amounts have been recognised in the financial statements of the company with regards to any of the warrants or put options.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

17 Share-based payment transactions

The Company operates an Enterprise Management Incentive (EMI) employee share option scheme.

The share options give the holder the right to buy shares in the Company's parent company, Access Systems Inc. Each option entitles the holder to acquire one ordinary share in Access Systems Inc. at a cost of \$0.01 per share. Employees can acquire 25% of their allocation twelve months after the vesting start date and thereafter 1/36th of the balance every month of employment to the 36th month after the vesting start date. No option may be exercised more than ten years after its date of grant. As at 31 December 2022 35 employees had exercised some of their options.

The number of share options outstanding at the start and end of the year are as follows:

	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 \$	2021 \$
Outstanding at 31 December 2021	9,770,834	9,445,834	0.07	0.06
Granted	600,000	760,000	0.07	0.20
Forfeited	(495,574)	(259,167)	0.20	0.10
Exercised	(125,260)	(175,833)	0.08	0.01
Outstanding at 30 December 2022	<u>9,750,000</u>	<u>9,770,834</u>	<u>0.08</u>	<u>0.07</u>
Exercisable at 30 December 2022	<u>8,152,410</u>	<u>6,010,987</u>	<u>0.04</u>	<u>0.03</u>

The options outstanding at 30 December 2022 had an average exercise price of \$0.08 and an average remaining contractual life of 5 years 4 months.

No amounts have been recognised in the financial statements with regards to the share options as the fair value of the options deemed likely to be exercised is negligible.

18 Share capital

	2022 £	2021 £
Ordinary share capital		
Issued and fully paid		
Ordinary shares of £1 each	<u>19,237,490</u>	<u>11,224,547</u>

In the year the parent company subscribed for a further 3,130,960 shares at £1 per share on 18 March 2022 and a further 4,881,983 shares at £1 per share on 18 November 2022.

19 Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

20 Equity reserve

The equity reserve comprises an amount of £327,782 being the equity component of the loan notes and associated derivative issued in 2019 and 2018.

21 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	104,850	94,317
Between two and five years	3,833	8,433
	<u>108,683</u>	<u>102,750</u>

22 Related party transactions

The company was wholly owned throughout the period by Access Systems Inc.

During the period the company had two wholly owned subsidiaries, Access Systems EBT Ltd. and Access Financial Analytics Ltd. The registered office of both wholly owned subsidiaries is City Tower, Piccadilly Plaza, Manchester, M1 4BT, United Kingdom.

The company has taken advantage of the exemptions available under Financial Reporting Standard 102 not to disclose key management personnel compensation, and not to disclose transactions with wholly owned subsidiaries or the parent company.

23 Ultimate controlling party

The Company is controlled by Access Systems Inc., which is also the ultimate controlling party. Access Systems Inc. is also the ultimate and immediate parent company and is incorporated in the United States of America. Access Systems Inc.'s registered office is 575 High Street, Suite 400, Palo Alto, CA 94301, USA.

ACCESS SYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 DECEMBER 2022

24 Cash generated from operations

	2022 £	2021 £
Loss for the year after tax	(5,935,925)	(4,280,169)
Adjustments for:		
Taxation credited	(67,443)	(88,750)
Finance costs	583,998	520,233
Amortisation and impairment of intangible assets	1,913,609	1,677,119
Depreciation and impairment of tangible fixed assets	52,314	65,359
(Gain)/loss on sale of investments	-	56,801
Movements in working capital:		
Decrease/(increase) in debtors	368,921	(823,183)
Increase in creditors	72,013	446,692
Increase in deferred income	623,321	1,027,600
Cash absorbed by operations	(2,389,192)	(1,398,298)

25 Analysis of changes in net debt

	31 December 2021 £	Cash flows £	30 December 2022 £
Cash at bank and in hand	1,410,939	3,225,390	4,636,329
Borrowings excluding overdrafts	(4,439,858)	(374,343)	(4,814,201)
	<u>(3,028,919)</u>	<u>2,851,047</u>	<u>(177,872)</u>