

KATALYST DATA MANAGEMENT LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

KATALYST DATA MANAGEMENT LIMITED

COMPANY INFORMATION

Director	S Epstein
Registered number	08645934
Registered office	New Penderel House 4th Floor 283-288 High Holborn London England WC1V 7HP
Independent auditors	ZEDRA Corporate Reporting Services (UK) Limited (formerly F&L Corporate Reporting Services Limited)

KATALYST DATA MANAGEMENT LIMITED

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BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	129,783	<i>146,385</i>
		129,783	<i>146,385</i>
Current assets			
Debtors: amounts falling due within one year	5	457,957	<i>945,709</i>
Bank and cash balances		100,790	<i>106,947</i>
		558,747	<i>1,052,656</i>
Creditors: amounts falling due within one year	6	(1,105,520)	<i>(1,590,256)</i>
Net current liabilities		(546,773)	<i>(537,600)</i>
Total assets less current liabilities		(416,990)	<i>(391,215)</i>
Net liabilities		(416,990)	<i>(391,215)</i>

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	2020 £	2019 £
Capital and reserves		
Called up share capital	1	1
Profit and loss account	(416,991)	(391,216)
	<u>(416,990)</u>	<u>(391,215)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

S Epstein
Director

Date: 8 April 2021

The notes on pages 3 to 9 form part of these financial statements.

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

1.2 Going concern

The Company is adapting to the coronavirus ("COVID-19") pandemic and continue to monitor the global oil prices, and the resulting impact on the Company's customer base.. The current challenging global economic climate may lead to further adverse changes in turnover, cash flows and working capital, which may also have a direct impact on the Company's future financial performance and position. The Company is currently in a net liability position and is reliant on intercompany loans. The wider group have revised their forecasts and are considering the measures required to continue the operations of the UK entity. Management's assessment will take into account the availability of UK Government schemes, as well as internal financing to ensure that the Company remains in operation for the foreseeable future.

Katalyst Data Management Limited has received written confirmation from its ultimate parent company, Katalyst Data Management LP, that it will continue to provide financial support to the Company for a period of at least 12 months from the date of signing these financial statements. For this reason, the director continues to adopt the going concern basis in preparing the financial statements. The following principal accounting policies have been applied:

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

1. Accounting policies (continued)

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover is derived from one end-to-end service to third parties and is based on contracts which are either fixed or determinable prices in relation to data management. Fees are recognised on a stage of completion basis in line with performance obligations within the individual contracts.

Turnover is also derived from contracts with customers to provide loaned assets, these are fixed term contracts with set prices. The company acts as a lessor in respect of these contracts.

The Company recognises income from services provided to other group companies as other income within turnover.

1.4 Tangible fixed assets

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

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

The estimated useful lives range as follows:

Short-term leasehold property	- Over the remaining lease period
Office equipment	- 5 years
Computer equipment	- 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1. Accounting policies (continued)**1.5 Debtors**

Short term debtors are measured at transaction price, less any impairment.

1.6 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.8 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

1.9 Interest payable

Interest payable costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.10 Group recharges

Costs are recharged to other group companies in the period in which they are incurred.

1.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

KATALYST DATA MANAGEMENT LIMITED

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

1. Accounting policies (continued)

1.12 Government Grants

Grants are accounted under the accruals model as permitted by FRS 102.

Government grant income represents amounts received under the Coronavirus Job Retention Scheme, amounts are recognised in the period in which the corresponding salary expense is incurred.

1.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.14 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
2. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified, though the auditor drew attention to note 1.2 to these accounts which indicates the existence of material uncertainty which may cause significant doubt about the Company's ability to continue as a going concern.

The audit report was signed on 9 April 2021 by Dominic King ACA (Senior Statutory Auditor) on behalf of ZEDRA Corporate Reporting Services (UK) Limited.

3. Employees

The average monthly number of employees, including directors, during the year was 11 (2019 - 13).

4. Tangible fixed assets

	Short-term leasehold property	Office equipment	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2020	9,601	32,944	400,996	443,541
Additions	-	-	80,078	80,078
At 31 December 2020	9,601	32,944	481,074	523,619
Depreciation				
At 1 January 2020	9,601	14,560	272,995	297,156
Charge for the year on owned assets	-	6,589	90,091	96,680
At 31 December 2020	9,601	21,149	363,086	393,836
Net book value				
At 31 December 2020	-	11,795	117,988	129,783
At 31 December 2019	-	18,384	128,001	146,385

	2020 £	2019 £
Trade debtors	256,533	830,548
Other debtors	1,000	1,000
Prepayments and accrued income	132,329	33,345
Deferred taxation (Note 7)	68,095	80,816
	<u>457,957</u>	<u>945,709</u>

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	24,291	9,429
Amounts owed to group undertakings	201,251	635,646
Amounts owed to parent company	756,593	806,593
Other taxation and social security	81,670	76,890
Other creditors	4,343	23,357
Accruals and deferred income	37,372	38,341
	<u>1,105,520</u>	<u>1,590,256</u>

On 6 May 2014, a general security agreement was registered in favour of Catalyst Data Management Holdings Inc. securing the loan balance due from the Company by way of a fixed and floating charge over the Company's assets. At the balance sheet date the loan balance was £756,593 (2019: £806,593). Interest is charged on the outstanding balance at the Bank of England Base Rate plus 8% per annum.

7. Deferred taxation

	2020 £
At beginning of year	80,816
Credit to Profit and Loss Account	(12,721)
At end of year	<u>68,095</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
7. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2020 £	<i>2019</i> <i>£</i>
Accelerated capital allowances	(24,659)	<i>(27,813)</i>
Tax losses carried forward	92,754	<i>107,887</i>
Pension surplus	-	<i>742</i>
	<u>68,095</u>	<u><i>80,816</i></u>

8. Financial commitments

At the end of the reporting period, the total amount of financial commitments, guarantees and contingencies that are not included in the balance sheet is £122,778 (2019: £Nil). The amount falling due within one year is £42,000 (2019: £Nil).

9. Controlling party

Katalyst Data Management LP is the parent of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The registered office of the ultimate parent company is Suite 168A, 28th Street S.E, Calgary, Alberta T2A 6J9, Canada.

10. Post balance sheet events

There were no adjusting or other non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.