COMPANY REGISTRATION NUMBER 06000234

R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2022

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Company registration number	06000234
The board of directors	R M Rusu Ramneet Singh Rekhi (appointed 8 December 2021) Dr. Satinder Singh Rekhi Sartaj Singh Rekhi (appointed 20 December 2021)
Registered office	Swan House 9 Swan House Brentwood Essex CM14 4HE United Kingdom
Independent auditor	BDO LLP Arcadia House Maritime Walk - Ocean Village Southampton SO14 3TL
Bankers	National Westminster Brentwood 46 High Street Brentwood Essex CM14 4AN

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

DIVIDENDS
Ordinary dividends were paid amounting to €Nil (2021 - €2,000,000). The directors do not recommend the payment of a further dividend.

GOING CONCERN
The financial statements have been prepared on going concern basis.

The directors have considered the factors that impact the group and the company's future development, performance and cash flows and financial position along with the group and the company's current liquidity in forming their opinion on the going concern basis.

The forecasts prepared by the Directors include scenarios considered and the sensitivities applied thereto, where the group’s sales and renewal performance are sensitivised by a reduction in sales which can be comfortably sustained before enacting cost-cutting measures as well as account for potential increases in default rates across our customer base. This level of reduction is not expected by management due to the nature of the services provided and due to the fact that a large portion of income throughout the going concern period (to 31 March 2024) has already been contracted with large customers that are expected to succeed in these economic conditions.

Based on the forecasts noted above, the various scenarios considered and the sensitivities applied thereto, and the high level of management’s ability to reduce future costs rapidly and further the group and the company are expected to continue to generate positive cash flows for the foreseeable future. On the basis of the directors' assessment of the financial position, the company's directors consider it appropriate to continue to prepare the financial concern on the going concern basis.

FUTURE DEVELOPMENTS
Details of future developments can be found in the Strategic Report on page 6.

EVENTS AFTER THE BALANCE SHEET DATE

BCP Asia II Topco II Pte. Ltd., a private equity fund managed by Blackstone (“Blackstone”) have executed a share purchase agreement (“SPA”) with the promoter and promoter group of R Systems International Limited, parent company of R Systems Computaris International Limited, UK (“R Systems”) to purchase their entire stake i.e. 51.67% in R Systems on the terms and conditions set out in the SPA including Blackstone to complete a conditional delisting cum open offer to acquire remaining stake from public shareholders (“Transaction”).

The Transaction is expected to be completed in the coming months, subject to necessary closing conditions and regulatory approvals. However, due to this the Directors do not foresee any going concern challenge for the Group.

DIRECTORS

The directors set out below have held office during the whole of this year from 1 January 2022 to the date of this report unless otherwise stated.

R M Rusu
Ramneet Singh Rekhi
Dr. Satinder Singh Rekhi
Sartaj Singh Rekhi

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the group's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

Details of risk management policies used by the group can be found in note 14 to the financial statements.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The group's policy is to settle supplier accounts within 40 days of the invoice date.

INDEPENDENT AUDITOR

BDO LLP, in accordance with section 487 of the Companies Act 2006, have expressed their willingness to continue in office as auditor.

DISCLOSURE OF INFORMATION TO AUDITOR

Each person who is a director at the date of approval of this report confirm that so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

DIRECTORS' INDEMNITY

As permitted by the Articles of Association, each of the Directors has the benefit of an indemnity, which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the tenure of each Director during the last financial year, and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Approved by the board on 17th of February 2023 and signed on its behalf by

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R M Rusu
Director

The Directors present their strategic report for the year ended 31 December 2022.

The purpose of the strategic report is to inform members of the company and help them assess how the directors have performed their duty under s172 (duty to promote success of the company).

PRINCIPAL ACTIVITY
The groups's principal activity is product engineering services to companies in telecom sector. In the last year, the group has increased its capabilities in the digital space, targeting organisations from different sectors and helping them digitalise their operations and customer relationships.

REVIEW OF THE BUSINESS
The results for the year are set out on page 12.

It has been a strong year with continued revenue growth, during a challenging environment post Covid and current geopolitical situation amid Russia-Ukraine war. The Group has seen an increase in turnover in 2022 from Euro 21.93m to Euro 26.79m i.e. increase of 22 % (2021: 27%) however with the increase in turnover, the gross profit margin has remain stagnant from 37% to 36.6% due to salary hikes amid attrition challenges.

The fall in profitability is primarily due to increase in administration costs of almost €1.8m. The increase in costs are made up of €1.1m of increased administration salaries to support the increased workload and an increase of £250k in depreciation and amortisation due to capex and full year impact of new office taken on lease last year in Romania. Although trading conditions remain difficult in a highly competitive market. The Directors are confident of continued profitability. The Directors believe adequate resources are available to take advantage of business opportunities and consider, in the current economic climate, the Group’s state of affairs to be satisfactory.

The Group operates geographically through subsidiaries in Romania, Poland, Moldova, Malaysia, Philippines and Switzerland. The Polish subsidiary returned a profit of €126k compared to €267k in 2021. The Romanian subsidiary had another successful year in 2022 due to continuing to grow its client base and increasing turnover to 3rd parties from €16.4m in 2021 to €21m in 2022 with a resulting net profit of €1.65m compared to €1.4m in 2021. The Philippines subsidiary currently operate at low levels in respect of providing services to customers outside the Group but continue to support the UK parent. In 2022 the Moldovan subsidiary continued to only provide services to other fellow subsidiaries and the parent undertaking and R Systems Computaris Switzerland Sarl and Malaysian subsidiaries continued to supply services to fellow Romanian subsidiary, R Systems Computaris Europe SRL, which obviously have been eliminated on consolidation.

PRINCIPAL RISKS AND UNCERTAINTIES
Risk management is integrated into the process of planning and performance measurement and involves members of management of R Systems International Limited, the parent company. The principal risks identified including, currency, market, credit (including customer concentration) and liquidity are disclosed in Note 14.

The impending war between Ukraine and Russia has not significantly affected the Group, as Group has no exposure to customer contracts in Ukraine and Russia.

FUTURE DEVELOPMENTS

The Directors consider that the forthcoming financial year will continue to present challenging trading conditions with increased competition and potentially tighter margins. Nevertheless, there are good prospects for the Group and the aim is to continue to implement the management policies which have been introduced in recent years and which have assisted in successfully overcoming the difficulties and uncertainties in the market place.

KEY PERFORMANCE INDICATORS

The Directors monitor the group's performance by reviewing revenue and profit on project by project and overall country basis. The revenue and profit for the year ended 31 December 2022 is set out on page 12. The Directors monitor the current order book and potential pipeline to plan for the future resource requirements of the Group.

Approved by the board on 17th of February 2023 and signed on its behalf by

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R M Rusu
Director

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 the international accounting standards in conformity with the requirements of the Companies Act 2006. 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, International Accounting Standard 1 requires that Directors:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume the group and company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of R Systems Computaris International Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended December 31, 2022 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statement of changes in equity, the consolidated and parent company statement of cash flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Independence

We are independent of the Group and the Parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements 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.

Other Companies Act 2006 reporting
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- Enquiries of management regarding the compliance with laws and regulations; the detection and response to the risk of fraud and any knowledge of actual, suspected or alleged fraud; and the controls in place to mitigate risks related to fraud or non-compliance with laws and regulation.

- Obtaining an understanding of the legal and regulatory framework in which the company operates. The key laws considered are accounting standards and the Companies Act 2006. We have corroborated our enquiries through review of Board minutes.

- We have responded to risks identified by performing procedures including the following:
  enquiry of in-house management legal counsel concerning actual and potential litigation and claims; and review of financial statements disclosures and testing to supporting documentation.

- We have considered the risk of fraud through revenue recognition by:
  Testing on sample basis for each stream of revenue appropriate supporting documents such customer orders, acceptances, invoices and bank payment.

- We have also considered the risk of fraud through management override of controls by:
  testing on a sample basis the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of potential bias.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Arbinder Chatwal
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Arbinder Chatwal (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton, UK
17 February 2023   2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	**31.12.2022**	31.12.2021
		€	€
Revenue	3	**26,791,719**	21,927,297
Cost of sales		**(16,990,833)**	(13,812,454)
GROSS PROFIT		**9,800,886**	8,114,843
Other operating income		**15,375**	124,746
Administrative expenses		**(7,497,766)**	(5,700,303)
OPERATING PROFIT	4	**2,318,495**	2,539,286
Finance income – interest income	7	**277**	334
Finance costs	8	**(43,212)**	(47,012)
PROFIT BEFORE TAX		**2,275,560**	2,492,608
Income tax expense	9	**(434,834)**	(493,247)
PROFIT FOR THE YEAR		**1,840,726**	1,999,361

All results derive from continuing operations.

The notes on pages 20 to 52 form part of these financial statements.

R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	31.12.2022 €	31.12.2021 €
PROFIT FOR THE YEAR	**1,840,726**	1,999,361
OTHER COMPREHENSIVE (LOSS) / INCOME		
Exchange differences on translation of foreign operations	**(26,144)**	2,473
OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF INCOME TAX	**(26,144)**	2,473
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,814,582**	2,001,834

The notes on pages 20 to 52 form part of these financial statements.

R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

Attributable to equity holders of the company	**Issued share capital €**	**Other reserves €**	**Retained earnings €**	**Total equity €**
Balance at 1 January 2022	**747**	**837,560**	**5,958,551**	**6,796,858**
Currency translation differences	**-**	**(26,144)**	**-**	**(26,144)**
Transfer to/(from) retained earnings	**-**	**222,773**	**(222,773)**	**-**
Profit for the year	**-**	**-**	**1,840,726**	**1,840,726**
Total recognised profit for the year	**-**	**196,629**	**1,617,953**	**1,814,582**
Balance at 31 December 2022	**747**	**1,034,189**	**7,576,504**	**8,611,440**

Attributable to equity holders of the company	**Issued share capital €**	**Other reserves €**	**Retained earnings €**	**Total equity €**
Balance at 1 January 2021	747	567,093	6,227,184	6,795,024
Currency translation differences	-	2,473	-	2,473
Transfer to/(from) retained earnings	-	267,994	(267,994)	-
Profit for the year	-	-	1,999,361	1,999,361
Dividends paid	-	-	(2,000,000)	(2,000,000)
Total recognised profit for the year	-	270,467	(268,633)	1,834
Balance at 31 December 2021	747	837,560	5,958,551	6,796,858

The notes on pages 20 to 52 form part of these financial statements.

R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

Attributable to equity holders of the company	**Issued share capital**	**Other reserves**	**Retained earnings**	**Total equity**
	€	**€**	**€**	**€**
Balance at 1 January 2022	**747**	**168**	**2,775,614**	**2,776,529**
Profit for the year	**-**	**-**	**70,399**	**70,399**
Balance at 31 December 2022	**747**	**168**	**2,846,013**	**2,846,928**

Attributable to equity holders of the company	**Issued share capital**	**Other reserves**	**Retained earnings**	**Total equity**
	€	**€**	**€**	**€**
Balance at 1 January 2021	747	168	4,382,172	4,383,087
Profit for the year	-	-	393,442	393,442
Dividends paid	-	-	(2,000,000)	(2,000,000)
Balance at 31 December 2021	747	168	2,775,614	2,776,529

The notes on pages 20 to 52 form part of these financial statements.

R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31.12.2022 €	31.12.2021 €
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	11	**967,122**	1,039,038
Intangible assets	12	**5,319**	6,827
Right-of-use assets	24	**1,390,371**	1,869,637
Deferred tax assets	22	**177,935**	123,254
		2,540,747	3,038,756
CURRENT ASSETS			
Inventories	16	**23,006**	20,230
Tax recoverable		**82,149**	67,805
Trade and other receivables	17	**8,185,511**	5,805,155
Prepayments	18	**335,065**	277,838
Cash and cash equivalents	19	**3,792,782**	3,679,310
		12,418,513	9,850,338
TOTAL ASSETS		**14,959,260**	12,889,094
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	20	**747**	747
Other Reserves	21	**1,034,189**	837,560
Retained profits		**7,576,504**	5,958,551
TOTAL EQUITY		**8,611,440**	6,796,858
NON-CURRENT LIABILITIES			
Deferred tax	22	**-**	3,009
Lease liabilities	25	**918,005**	1,400,707
		918,005	1,403,716
CURRENT LIABILITIES			
Deferred income	3	**1,751,316**	1,398,170
Tax payables		**85,962**	314,651
Trade and other payables	23	**3,040,709**	2,422,026
Lease liabilities	25	**551,828**	553,673
		5,429,815	4,688,520
TOTAL EQUITY AND LIABILITIES		**14,959,260**	12,889,094

Approved by the Board and authorised for issue on 17th of February 2023 and signed on its behalf by

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R M Rusu, Director

Company registration number: 06000234

The notes on pages 20 to 52 form part of these financial statements.

R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31.12.2022 €	31.12.2021 €
ASSETS			
NON CURRENT ASSETS			
Investments	13	**1,321,437**	1,321,437
Other receivables	17	**220,780**	371,061
		1,542,217	1,692,498
CURRENT ASSETS			
Trade and other receivables	17	**1,098,050**	1,291,892
Prepayments	18	**78,883**	116,910
Cash and cash equivalents	19	**1,341,738**	1,064,303
		2,518,671	2,473,105
TOTAL ASSETS		**4,060,888**	4,165,603
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	20	**747**	747
Other Reserves	21	**168**	168
Retained profits		**2,846,013**	2,775,614
TOTAL EQUITY		**2,846,928**	2,776,529
CURRENT LIABILITIES			
Deferred income	3	**843,795**	897,968
Tax payables		**10,312**	91,172
Trade and other payables	23	**359,853**	399,934
		1,213,960	1,389,074
TOTAL EQUITY AND LIABILITIES		**4,060,888**	4,165,603

The Company reported a profit for the financial year ended 31 December 2022 of €70,399 (2021 : profit of €393,442).

Approved by the Board and authorised for issued on 17th of February 2023 and signed on its behalf by

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R M Rusu, Director

Company registration number: 06000234

The notes on pages 20 to 52 form part of these financial statements.

R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	31.12.2022	31.12.2021
CASH FLOWS FROM OPERATING ACTIVITIES	**€**	€
Profit for the year	**1,840,726**	1,999,361
ADJUSTMENTS TO RECONCILE TO PROFIT FROM OPERATIONS		
Finance income	**(277)**	(334)
Finance costs	**43,212**	47,012
	1,883,661	2,046,039
NON-CASH ADJUSTMENTS		
Depreciation property, plant & equipment	**393,982**	248,152
Depreciation of rights-of-use assets	**555,875**	453,882
Amortisation of other intangible non-current assets	**13,605**	16,328
(Profit)/Loss on disposal of fixed assets	**(1,900)**	12,426
Loss on termination of lease	**-**	1,527
Recognition of deferred tax (asset)/liability (net)	**(58,716)**	9,480
IFRS16 rent concessions	**(4,551)**	(18,637)
	898,295	723,158
CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL	**2,781,956**	2,769,197
INCREASE IN WORKING CAPITAL		
(Increase) in inventories	**(2,776)**	(14,969)
(Increase) in trade and other receivables	**(2,415,691)**	(2,474,021)
(Increase) in prepayments	**(57,227)**	(55,332)
Increase in trade and other payables	**343,435**	173,726
Increase in deferred income	**353,146**	537,705
Increase in accruals	**275,248**	284,457
Increase in tax payable	**493,550**	483,767
	(1,010,315)	(1,064,667)
CASH FROM OPERATIONS	**1,771,641**	1,704,530
Income taxes paid	**(736,583)**	(336,005)
NET CASH FROM OPERATING ACTIVITIES	**1,035,058**	1,368,525
CASH FLOWS USED IN INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	**(334,782)**	(903,544)
Payments to acquire intangible assets	**(12,025)**	(17,019)
Proceeds from sale of fixed assets	**12,113**	5,407
Interest received, classified as investing	**277**	334
	(334,417)	(914,822)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	**(43,212)**	(47,012)
Repayment of lease liabilities	**(529,212)**	(422,469)
Dividend paid	**-**	(2,000,000)
	(572,424)	(2,469,481)
NET CASH FLOWS	**128,217**	(2,015,778)
Cash and cash equivalents as at 1 January 2022	**3,679,310**	5,684,452
Net foreign exchange difference	**(14,745)**	10,636
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2022	**3,792,782**	3,679,310

The notes on pages 20 to 52 form part of these financial statements.

R SYSTEMS COMPUTARIS INTERNATIONAL LIMITED
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	31.12.2022	31.12.2021
	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Total operating Profit	**70,399**	393,442
ADJUSTMENTS TO RECONCILE TO PROFIT FROM OPERATIONS		
Interest income	**(13,603)**	(9,897)
Dividend income	**-**	-
	56,796	383,545
CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL	**56,796**	383,545
INCREASE IN WORKING CAPITAL		
Decrease/(Increase) in trade and other receivables	**198,268**	(441,111)
Decrease/(Increase) in prepayments	**38,027**	(16,358)
(Decrease) in trade and other payables	**(63,947)**	(13,835)
(Decrease)/Increase in deferred income	**(54,173)**	214,689
Increase/(Decrease) in accruals	**23,866**	(41,599)
Increase in tax payable	**16,513**	91,616
	158,554	(206,598)
Income taxes paid	**(97,373)**	(54,844)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**117,977**	122,103
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans to related parties	**-**	(600,000)
Proceeds from loans to related party	**145,855**	83,085
Interest received, classified as investing	**13,603**	9,897
Dividends received	**-**	-
Net cash generated/(used) from investing activities	**159,458**	(507,018)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividend paid to parent company	**-**	(2,000,000)
Net cash used in financing activities	**-**	(2,000,000)
NET CASH FLOWS	**277,435**	(2,384,915)
Cash and cash equivalents as at 1 January 2022	**1,064,303**	3,449,218
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2022	**1,341,738**	1,064,303

The notes on pages 20 to 52 form part of these financial statements.

1. STATEMENT OF COMPLIANCE WITH IFRS

R Systems Computaris International Limited is a private company limited by shares incorporated in the United Kingdom under the companies Act 2006 and registered in England & Wales.

The address of the registered office is Swan House, 9 Queens Road, Brentwood, Essex, CM14 4HE United Kingdom.

Basis of preparation
The Group's financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The group's financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted by the group are set out in note 2.

Going concern
The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current cash reserves and as such have prepared the accounts on a going concern basis. The forecasts prepared by the Directors include scenarios considered and the sensitivities applied thereto, where the group's sales and renewal performance are sensitivised by a reduction in sales which can be comfortably sustained before enacting cost-cutting measures as well as account for potential increases in default rates across our customer base. . This level of reduction is not expected by management due to the nature of the services provided and due to the fact that a large portion of income throughout the going concern period (to 31 March 2024) has already been contracted with large customers that are expected to succeed in these economic conditions. Basis the assessment the Group concluded that the financial statements continued to be prepared on a going concern basis.

2. ACCOUNTING POLICIES

Basis of consolidation
The results of operations of subsidiary undertakings are included in the consolidated financial statements as from the date of acquisition, which is the date on which control of the acquired subsidiary is effectively transferred to the buyer. The results of operations of subsidiary undertakings disposed of are included in the consolidated income statement until the date of disposal which is the date on which the parent ceases to have control of the subsidiary undertaking. Intragroup balances and intragroup transactions and resulting unrealised profits are eliminated in full. Unrealised losses resulting from intragroup transactions are also eliminated unless cost can be recovered.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

2. ACCOUNTING POLICIES (continued)

Revenue recognition

The Group recognises revenue from the following major sources:

- Client software solution.
- Sale of Telecom Orchestration Platform Testing Suite (TTS) Licenses.
- Maintenance and support.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Client software solution

The Group undertakes the provision and installation of various real time software products in the communication industry. These are contracted on a fixed-price or time and material based contracts. Such services are recognised as a performance obligation satisfied over time since they are bespoke to customer's requirements. The services cannot be separated into distinct performance obligations. Revenue for time and material based contract is recognised based on time incurred for providing the services. Revenue for fixed-price contract is recognised for these services based on the stage of completion of the contract, using the input method. The Directors have assessed that the stage of completion determined as the proportion of the total time expected to provide the product that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under IFRS 15.

Sale of TTS Licenses

The Group recognised the revenue from sale of TTS licenses at point of time i.e. when the license are made available to the customers, as this is the point, where the Group fulfils its performance obligation as per the contract.

Maintenance and support

Maintenance and support revenue is made up of fixed payments of certain levels for support made available for customers. This is normally a single performance obligation which is consumed by customer as it is provided. The maintenance and support revenue is therefore generally recognised on a straight-line basis over the period of the contract.

Interest income

Interest income is accrued on a time basis and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest expense recognition

Expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

Foreign currency exchange

The Group's financial statements are prepared in Euros which is also the parent company's functional currency. The exchange rate used in retranslating Pounds Sterling and American Dollar assets and liabilities at the financial position date was 0.884 (2021 – 0.898) and 1.070 (2021 – 1.134) respectively.

Transactions in currencies other than the functional currency of the Group are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary assets and liabilities

2. ACCOUNTING POLICIES (continued)

Foreign currency exchange (continued)

carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the statement of financial position date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except for items that are recognised directly in equity or in other comprehensive income.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the temporary differences reverse, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following basis:

Leasehold property improvements	1 - 6 years
Property, Plant and equipment	2 - 5 years

2. ACCOUNTING POLICIES (continued)

Intangible assets

Non-internally generated intangible assets
Intangible assets acquired separately from a business are capitalised at cost.

The carrying value of intangible assets are reviewed for impairment on an annual basis for events or changes in circumstances that indicate that the carrying value may not be recoverable.

Intangible assets are stated at cost or fair value on recognition less accumulated amortisation and any impairment in value.

Amortisation is calculated so as to write off the cost or valuation of intangible assets over their estimated useful lives, using the straight-line method, on the following bases:

Software, licences etc;	1 - 3 years
Intellectual Property	3 years
Customer Contract	Over the period of respective customer contract

Leases
The Group as a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- psayments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

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

2. ACCOUNTING POLICIES (continued)

Leases (continued)

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

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

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

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

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (not part of this Appendix).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other operating expenses' in profit or loss (see Note 24).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2. ACCOUNTING POLICIES (continued)

Leases (continued)

The Company has opted for the practical expedient under IFRS 16 Para 46A read with Para 46B which provides lessee an option not to assess COVID-19-related rent concession as a lease modification. The expedient initially allowed for COVID-19-related rent concessions to payments originally due on or before June 30, 2021 has been extended to June 30, 2022

Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs comprise direct materials, and where applicable, purchase cost, cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs that have been incurred in bringing the inventories to their present location and condition and are determined on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Government grants

Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are netted against the cost incurred by the Group. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income or netted against the asset purchased.

Provisions

A provision is recognised if, as a result of past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Cash and cash equivalents

Cash and cash equivalents in the Statement of financial position includes cash in hand and at bank and short-term deposits with original maturity period of 3 months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash in hand and at bank and short-term deposits. Restricted cash represents deposits which are subject to a fixed charge and held as security for specific purpose.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Derecognition
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of tax effects.

Legal and statutory reserve

The legal and statutory reserves are classified as equity. The legal and regulatory reserves are created and adjusted based on profit by transfer from retained earnings according to the local applicable laws and statutory regulations in the subsidiary jurisdictions.

Impairment

Financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables and accrued income. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and accrued income. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward‑looking information that is available without undue cost or effort. Forward‑looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think‑tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

(ii) Definition of default

The Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit‑impaired financial assets

A financial asset is credit‑impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(iv) Write‑off policy
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward‑looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Non-financial assets
The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or its cash generating unit is the greater of its value in use and its fair value less costs to sell. 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 time value of money and risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources estimation uncertainty

The preparation of the financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences, management expertise and other contributing factors, the results which form the basis of making judgements about the carrying value of assets and liabilities that may not be readily apparent from other sources. Actual results may differ from these estimates.

Key sources of estimation uncertainty

Anticipated cost to complete revenue-generating projects (Fixed Price Projects)

Project profitability is estimated at a project's inception based on the agreed contractual value and budgeted total costs. Profitability is then reviewed and reassessed on a regular basis by management, with adjustments made to budgeted costs if necessary. Amendments to estimated costs to complete a project can impact the amount of profit recognised in a given period.

Leases

The Group has considers all the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Critical accounting judgements

There are no judgements that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Changes in accounting policies

a) New standards, interpretations and amendments adopted from 1 January 2022

One new standard impacting the Group that has been adopted in the annual financial statements for the year ended 31 December 2022:

- *Onerous Contracts – Cost of Fulfilling a Contract* (Amendments to IAS 37);
- *Property, Plant and Equipment: Proceeds before Intended Use (*Amendments to IAS 16);
- *Annual Improvements to IFRS Standards 2018-2020* (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- *References to Conceptual Framework* (Amendments to IFRS 3).

There is no material impact due to adoption of these amendments.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

• *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);*
• *Definition of Accounting Estimates (Amendments to IAS 8); and*
• *Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*.

As of now, Group does not anticipate any material impact due to adoption of these amendments.

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

In response to feedback and enquiries from stakeholders, in December 2020, the IFRS Interpretations Committee (IFRIC) issued a Tentative Agenda Decision, analysing the applicability of the amendments to three scenarios. However, given the comments received and concerns raised on some aspects of the amendments, in April 2021, IFRIC decided not to finalise the agenda decision and referred the matter to the IASB. In its June 2021 meeting, the IASB tentatively decided to amend the requirements of IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year.

The Group is currently assessing the impact of these new accounting standards and amendments. The Group will assess the impact of the final amendments to IAS 1 on classification of its liabilities once the those are issued by the IASB. The Group does not believe that the amendments to IAS 1, in their present form, will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

Other
The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

3. REVENUE

	31.12.2022 €	31.12.2021 €
Rendering of services		
	26,791,719	21,927,297

The group derives revenue from contracts with customers for the transfer of goods and services in the following major income streams and geographies

a. Revenue by income streams

Maintenance & Support	**5,090,427**	4,299,202
Sale of TTS Licenses	**324,857**	157,414
Consultancy & Fixed Price Projects	**21,376,435**	17,470,681
	26,791,719	21,927,297

b. Revenue by geographies

Europe	**s**	12,202,580
North America	**12,622,843**	9,100,793
SEA	**446,621**	615,718
Others	**42,840**	8,206
	26,791,719	21,927,297

Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Group expects to recognise these amounts as revenue. Applying the practical expedients as given in IFRS 115, the Group has not disclosed the remaining performance obligations related disclosures where the revenue recognised corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialised and adjustments for currency.

Disclosure relating to remaining performance obligation relating to fixed bid price contracts require the aggregate amounts of transaction price yet to be recognised as revenue at the reporting date and expected timelines to recognise these amounts. In view of the fact that all material outstanding contracts have an original expected duration for completion of less than a year no disclosure is warranted.

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following:		
Depreciation of property, plant and equipment	**393,982**	248,152
Depreciation of right-of-use assets	**555,875**	453,882
Amortisation of intangible assets	**13,605**	16,328
IFRS16 rent concessions	**(4,551)**	(18,637)
(Profit)/Loss on disposal of fixed assets	**(1,900)**	12,426
Net foreign currency differences	**34,026**	23,910
Included in cost of sales:		
Employee benefits expense	**11,519,707**	9,115,037
Included in administrative expenses:		
Employee benefits expense	**4,116,283**	3,077,005
Depreciation and amortisation	**965,799**	718,360
Net foreign currency exchange	**46,619**	23,910
	5,128,701	3,819,275
Auditor's remuneration		
Fees Payable to Group auditors		
Audit of Financial Statements	**26,322**	23,891
Audit related services	**27,819**	27,904
Non-audit services	**-**	-
	54,141	51,795
Fees payable to Associates of Group Auditors for the audit of the company's subsidiaries		
Audit of Financial Statements	**11,630**	13,707
Audit related services	**19,475**	22,205
Non-audit services	**-**	-
	31,105	35,912

5. EMPLOYEE EXPENSES

	31.12.2022	31.12.2021
	€	€
Wages and salaries	**14,820,331**	11,644,062
Social security costs	**815,660**	547,980
	15,635,991	12,192,042

The average monthly number of employees during the year was made up as follows:

	31.12.2022	31.12.2021
	No.	No.
Administration and management	**90**	73
Production	**313**	272
	403	345

Key management personnel compensation
Remuneration for directors included in staff costs above comprised:

	31.12.2022	31.12.2021
	€	€
Short-term employee benefits	**233,013**	210,316

6. DIRECTORS' REMUNERATION

	31.12.2022	31.12.2021
	€	€
Short-term employee benefits	**233,013**	210,316

7. FINANCE INCOME – INTEREST INCOME

	31.12.2022	31.12.2021
	€	€
Interest earned on bank deposits	**277**	334

8. FINANCE COSTS

	31.12.2022	31.12.2021
	€	€
Interest on bank loans and overdrafts	**125**	3,308
Interest on right-of-use assets	**43,087**	43,704
	43,212	47,012

9. INCOME TAX

Components of income tax expense	**31.12.2022**	31.12.2021
	€	€
Income tax expense		
Current income tax charge	**493,075**	483,847
Under/(Over) provision in respect of prior years	**475**	(80)
	493,550	483,767
Deferred tax		
Current deferred tax credit	**(58,937)**	9,309
Under provision in respect of prior years	**221**	171
	(58,716)	9,480
Income tax expense reported in income statement	**434,834**	493,247

Reconciliation of income tax charge to accounting profit

	31.12.2022	31.12.2021
	€	€
Profit before tax	**2,275,560**	2,492,608
Tax at the domestic income tax rate of 19% (31.12.2021 - 19%)	**432,357**	473,595
Tax effect from under/(over) provisions in prior periods	**475**	(80)
Tax effect of deferred tax under provision in prior periods	**221**	171
Tax effect of rates in other jurisdictions	**47,600**	35,672
Tax effect of expired losses	**-**	13,103
Income not subject to income tax	**(145,999)**	(84,097)
Tax effect of change in tax rates	**-**	11,597
Tax effect of non-deductible expenses	**212,268**	51,107
Temporary differences on recognition of income & expenses	**(50,869)**	9,024
Other relief	**(61,219)**	(15,233)
Tax effect of losses brought forward offset	**-**	(1,612)
Tax expense using effective rate	**434,834**	493,247

10. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent's profit for the financial year was €70,399 (2021: €393,442).

11. PROPERTY, PLANT AND EQUIPMENT

Group

At 31 December 2022	Leasehold Improvements €	Plant and equipment €	Total €
Cost			
At 1 January 2022	**375,781**	**1,495,082**	**1,870,863**
Additions	**8,545**	**326,237**	**334,782**
Disposals	**-**	**(96,901)**	**(96,901)**
Foreign currency exchange differences	**605**	**(8,180)**	**(7,575)**
At 31 December 2022	**384,931**	**1,716,238**	**2,101,169**
Depreciation			
At 1 January 2022	**(34,881)**	**(796,944)**	**(831,825)**
Charge for period	**(72,898)**	**(321,084)**	**(393,982)**
Elimination on disposals	**-**	**86,688**	**86,688**
Foreign currency exchange differences	**180**	**4,892**	**5,072**
At 31 December 2022	**(107,599)**	**(1,026,448)**	**(1,134,047)**
Net book value			
At 1 January 2022	**340,900**	**698,138**	**1,039,038**
At 31 December 2022	**277,332**	**689,790**	**967,122**

Group

At 31 December 2021	Leasehold Improvements €	Plant and equipment €	Total €
Cost			
At 1 January 2021	57,336	1,038,221	1,095,557
Additions	359,876	543,668	903,544
Disposals	(39,239)	(80,204)	(119,443)
Foreign currency exchange differences	(2,192)	(6,603)	(8,795)
At 31 December 2021	375,781	1,495,082	1,870,863
Depreciation			
At 1 January 2021	(40,762)	(648,186)	(688,948)
Charge for period	(20,427)	(227,725)	(248,152)
Elimination on disposals	26,303	75,307	101,610
Foreign currency exchange differences	5	3,660	3,665
At 31 December 2021	(34,881)	(796,944)	(831,825)
Net book value			
At 1 January 2021	16,574	390,035	406,609
At 31 December 2021	340,900	698,138	1,039,038

12. INTANGIBLE ASSETS

Group At 31 December 2022	Software €	Customer Contract/ Intellectual Property €	Total €
Cost			
At 1 January 2022	**113,825**	**567,382**	**681,207**
Additions	**12,025**	**-**	**12,025**
Disposals	**(3,662)**	**-**	**(3,662)**
Foreign currency exchange differences	**(1,721)**	**-**	**(1,721)**
At 31 December 2022	**120,467**	**567,382**	**687,849**
Amortisation			
At 1 January 2022	**(106,998)**	**(567,382)**	**(674,380)**
Charge for period	**(13,605)**	**-**	**(13,605)**
Elimination on disposals	**3,662**	**-**	**3,662**
Foreign currency exchange differences	**1,793**	**-**	**1,793**
At 31 December 2022	**(115,148)**	**(567,382)**	**(682,530)**
Net book value			
At 1 January 2022	**6,827**	**-**	**6,827**
At 31 December 2022	**5,319**	**-**	**5,319**

Group At 31 December 2021	Software €	Customer Contract/ Intellectual Property €	Total €
Cost			
At 1 January 2021	122,245	567,382	689,627
Additions	17,019	-	17,019
Disposals	(28,951)	-	(28,951)
Foreign currency exchange differences	3,512	-	3,512
At 31 December 2021	113,825	567,382	681,207
Amortisation			
At 1 January 2021	(116,223)	(567,382)	(683,605)
Charge for period	(16,328)	-	(16,328)
Elimination on disposals	28,951	-	28,951
Foreign currency exchange differences	(3,398)	-	(3,398)
At 31 December 2021	(106,998)	(567,382)	(674,380)
Net book value			
At 1 January 2021	6,022	-	6,022
At 31 December 2021	6,827	-	6,827

13. INVESTMENT IN SUBSIDIARIES

Shares in Group undertakings	**Subsidiary undertakings**
Cost	**€**
At 1 January 2022 and	
At 31 December 2022	1,321,437

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid. The Board of Directors have carried the assessment of the recoverable value of these investments and believe that there are no indicators, to trigger any impairment on these investments.

13. INVESTMENT IN SUBSIDIARIES (continued)

The principal direct subsidiaries of the company are :

Name	Principal activity	Country of incorporation	% Interest 31.12.2022	% Interest 31.12.2021	Registered address
R Systems Computaris Europe SRL	Computer services	Romania	100%	100%	Tiriac Tower, Str. Buzesti 82-94, 5th floor Bucuresti, 011017, Romania
R Systems Computaris Poland sp zoo	Computer services	Poland	100%	100%	al. Jana Pawla II 80, 00-175 Warsaw, Poland
R Systems Computaris Srl	Computer services	Moldova	100%	100%	Vlaicu Pircalab Street, No 63, Et. 8, Oficiu B, MD – 2012, Sky Tower Business Center Chisinau, Republica Moldova
R Systems Computaris Malaysia Sdn. Bhd.	Computer services	Malaysia	100%	100%	Puchong Financial Corporate Centre 5F-1, 5th floor, Tower 5 Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor, Malaysia
R Systems Computaris Philippines Pte. Ltd. Inc.	Computer services	Philippines	100%	100%	21B Rufino Pacific Tower, 6784 Ayala Avenue, corner V.A. Rufino Street, Legaspi Village Makati City, 1226 Philippines
R Systems Computaris Switzerland Sarl	Computer services	Switzerland	100%	100%	Rue du Trésor 9, Neuchâtel, 2000, Switzerland

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

The Group has the following categories of financial instruments at the balance sheet date:

Group	**31.12.2022**	31.12.2021
	€	€
Financial assets		
Trade and other receivables	**8,185,511**	5,774,977
Cash and cash equivalents	**3,792,782**	3,679,310
Financial liabilities		
Trade and other payables	**(3,040,678)**	(1,967,275)

Company	**31.12.2022**	31.12.2021
	€	€
Financial assets		
Trade and other receivables	**1,098,050**	1,661,386
Cash and cash equivalents	**1,341,738**	1,064,303
Financial liabilities		
Trade and other payables	**(359,853)**	(399,934)

Capital risk management

The group aims to manage its overall capital so as to ensure the group continues to operate as a going concern, whilst providing an adequate return to shareholders. There are no changes in capital risk management since 2017.

The group's capital structure represents the equity attributable to shareholders of the company together with cash and cash equivalents as follows:

	31.12.2022	31.12.2021
	€	€
Cash and short-term deposits	**3,792,782**	3,679,310
Total Cash and short-term deposits	**3,792,782**	3,679,310
Equity	**8,611,440**	6,796,858
Total capital	**8,611,440**	6,796,858
Capital and net funds	**4,818,658**	3,117,548

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk management objectives

The board is charged with the overall responsibility of establishing and monitoring the Group's risk management policies and processes. The Group's risk management policies and processes are determined in order to identify, analyse and monitor the risks that are faced by the Group. All treasury transactions are reported to and approved by the Board. The Group does not enter into or trade financial instruments for speculative purposes.

The principal risks to which the Group is exposed are market risk including currency risk and interest rate risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The principal ways in which the group is exposed to such fluctuations are through currency risk.

Foreign currency risk

The group operates in a global industry and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro. Foreign exchange risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The board monitors both the level of likely future foreign currency cash flows and forecasts of exchange rate movements and manages foreign exchange risk by holding cash balances in Euros.

Quantitative analysis
The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the reporting dates is as follows:

	31.12.2022	31.12.2021
Current assets	**$**	$
US$ – trade and other receivables	**1,411,088**	708,048
US$ – cash and cash equivalents	**591,435**	409,910
	2,002,523	1,117,958
Current liabilities		
US$ – trade and other payables	**3,750**	360,778

Currency risk sensitivity analysis
The company has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of a 10% strengthening or weakening in Euro against all other currencies, with all other variables remaining constant. The sensitivity analysis includes only outstanding foreign currency denominated assets and liabilities and adjusts their translation at the balance sheet date for a 10% change in the applicable foreign currency rate.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign currency risk (continued)

Currency risk sensitivity analysis (continued)

Under this assumption, with a 10% strengthening or weakening of Euro against all exchange rates, profit before tax would have decreased by € 229,173 (2021 : €5,395) or increased by € 266,369 (2021: €7,301) and equity would have decreased by € 419,280 (2021: €382,498) or increased by €526,184 (2021: €615,866).

Interest rate risk

The group has very limited exposure to interest rate risk at present as it has no interest bearing borrowings.

Credit risk

Credit risk is the risk that a counterparty will cause a financial loss to the Group by failing to discharge its obligation to the group.

The group trades only with recognised, creditworthy customers. All customers who wish to trade on credit are subject to credit verification checks. Customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised.

The following table gives details in respect of revenues generated from the top customer and the top 5 customers:

(Amount in Euro)

Particulars	**Year ended December 31, 2022**	Year ended December 31, 2021
Revenue from top customer	**11,641,165**	9,056,083
Revenue from top 5 customers	**19,732,037**	16,680,065
No of Customer account for more than 10% of the revenue	**2**	3

Further, there is 1 customer that had more than 10% of the total amount receivable from customers as at December 31, 2022 and 2 customers that had more than 10% of the total amount receivable from trade customers as at December 31, 2021.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk for trade and other receivables and other financial assets is represented by their carrying amount.

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations associated with financial liabilities. The group has given responsibility of liquidity risk management to the board who have formulated liquidity management tools to service this requirement.

Management of liquidity risk is achieved by monitoring budgets and forecasts and actual cash flows. In addition, the Group benefits from strong cash flow from its normal trading activities.

At the balance sheet date the Group had no bank loans and borrowings or finance lease liabilities.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair values

The directors consider that the carrying values of all the company's financial assets and liabilities approximate their fair values as at the balance sheet dates.

The company does not hold any financial instruments that are classified as fair value through profit or loss or available for sale and therefore are measured at fair value.

15. RELATED PARTY TRANSACTIONS

Subsidiaries - The company has investments in the following subsidiaries :

Name	Principal activity	Country of incorporation	% Interest 31.12.2021 & 31.12.2022
R Systems Computaris Europe SRL	Computer services	Romania	100%
R Systems Computaris Poland sp zoo	Computer services	Poland	100%
R Systems Computaris Srl	Computer services	Moldova	100%
R Systems Computaris Malaysia Sdn. Bhd.	Computer services	Malaysia	100%
R Systems Computaris Philippines Pte. Ltd. Inc.	Computer services	Philippines	100%
R Systems Computaris Switzerland Sarl	Computer services	Switzerland	100%

Sale of services

During the year R Systems Computaris Philippines Pte. Ltd. Inc. provided consultancy services of €25,063 (2021 : €16,415) to R Systems Singapore Pte. Ltd.. At the year-end €Nil (2021 : €Nil) was owed by R Systems Singapore Pte. Ltd. to R Systems Computaris Philippines Pte. Ltd. Inc. in respect of these consultancy services.

During the year R Systems Computaris Europe SRL provided consultancy services of €89,105 (2021 : € NIL) to R Systems Inc. At the year-end €Nil (2021 : €Nil) was owed by R Systems Inc. to R Systems Computaris Europe SRL in respect of these consultancy services.

During the year R Systems Computaris Europe SRL provided consultancy services of €6,472 (2021 : €NIL) to R Systems IBIZCS Sdn. Bhd. At the year-end €Nil (2021 : €Nil) was owed by R Systems IBIZCS Sdn. Bhd. to R Systems Computaris Europe SRL in respect of these consultancy services.

During the year the Company provided sales and support services of €229,914 (2021: €Nil) and charged expenses totalling €3,701 (2021: €NIL) to R Systems International Limited At the period end €98,321 (2021: €Nil) was owed by R Systems International Ltd to the Company in respect of sales and support services. Further, the above balance at year end includes €24,675 (2021: €Nil) of consultancy services which was accrued and included in Accrued income of the company in respect of services provided but not invoiced at the period end date.

15. RELATED PARTY TRANSACTIONS (continued)

Purchases of services

During the year the Company incurred consultancy services of €41,952 (2021: €Nil) and reimbursed expenses totalling €144,353 (2021 : €91,223) from R Systems International Limited, the parent undertaking. At the year-end €8,448 (2021: €Nil) was owed by the Company to R Systems International Limited in respect of these consultancy and reimbursed expenses. Further, the above balance at year end includes €4,320 (2021 : €Nil) of consultancy cost which was accrued and included in accrued expenses of the company in respect of services provided but not invoiced at the yearend date.

During the year R Systems Computaris Europe SRL incurred consultancy services of €1,189,112 (2021 : €994,859) and reimbursed expenses of €3,010 (2021 : €1,503) from R Systems International Ltd, a group company. At the year-end €188,621 (2021 : €207,286) was owed by R Systems Computaris Europe SRL to R Systems International Ltd in respect of these consultancy services including foreign exchange variances. Further, the above balance at year end includes € 88,512 (2021 : €Nil) of consultancy cost which was accrued and included in accrued expenses of the company in respect of services provided but not invoiced at the yearend date.

During the year R Systems Computaris Europe SRL incurred consultancy services of €1,783,326 (2021: €1,560,190) and reimbursed expenses totalling €44,693(2021 : €38,544) from R Systems Inc, a group company. At the year-end €409,609 (2021: €318,891) was owed by R Systems Computaris Europe SRL to R Systems Inc in respect of these consultancy services.

During the year R Systems Computaris Europe SRL incurred consultancy services of €11,352 (2021 : €NIL) and reimbursed expenses totalling €NIL (2021 : €NIL) from RSYS Technologies Limited, a group company. At the year-end €11,206 (2021: €NIL) was owed by R Systems Computaris Europe SRL to RSYS Technologies Limited in respect of these consultancy services and expenses including foreign exchange variances.

During the year R Systems Computaris Malaysia Sdn. Bhd. incurred consultancy services of €Nil (2021 : €3,767) from R Systems Consulting Services (M) Sdn. Bhd, a group company. At the year-end €Nil (2021 : €Nil) was owed by R Systems Computaris Malaysia Sdn. Bhd. to R Systems Consulting Services (M) Sdn. Bhd in respect of these consultancy.

During the year R Systems Computaris Europe SRL incurred consultancy services of €Nil (2021: €8,499) from PT. R Systems IBIZCS International, a group company. At the year-end €Nil (2021: €Nil) was owed by R Systems Computaris Europe SRL to PT. R Systems IBIZCS International in respect of these consultancy services.

15. RELATED PARTY TRANSACTIONS (continued)

Purchase of services (continued)
During the year computer consultancy services and related expenses were acquired from the subsidiary undertakings as follows:

	31.12.2022	31.12.2021
	€	€
R Systems Computaris Europe SRL	**1,435,676**	1,449,837
R Systems Computaris Poland sp zoo	**523,382**	745,516
R Systems Computaris Srl	**103,821**	173,154
R Systems Computaris Malaysia Sdn. Bhd.	**145,546**	186,281
	2,208,425	2,554,788

At the year end the following amounts were due to/(from) the subsidiary undertakings in respect of the above services supplied :

	31.12.2022	31.12.2021
	€	€
R Systems Computaris Europe SRL	**195,398**	3,070
R Systems Computaris Poland sp zoo	**42,498**	89,329
R Systems Computaris Srl	**9,244**	15,008
	247,140	107,407

The amount due to/(from) the subsidiary undertakings are unsecured, interest free and repayable on demand unless otherwise stated.

At the year end the following amounts were accrued in respect in respect of the above services supplied by the subsidiary undertakings :

	31.12.2022	31.12.2021
	€	€
R Systems Computaris Europe SRL.	**-**	204,654
R Systems Computaris Poland sp zoo	**40,036**	-
R Systems Computaris Malaysia Sdn. Bhd.	**-**	17,154
	40,036	221,808

Loan to subsidiary
On the 7 May 2021 the company entered into a loan agreement under normal commercial terms with the subsidiary, R Systems Computaris Europe SRL., for a sum of €600,000. The balance of the loan owing to the company by R Systems Computaris Europe SRL at the year end was €371,060 (2021 - €516,915). Interest of €13,577 (2021 : €9,880) at a rate of 3% was received by the company in the year.

Key management personnel
The key management personnel are the directors of the company and the remuneration they have received during the year is as follows:

	31.12.2022	31.12.2021
	€	€
Short-term employee benefits	**225,748**	210,316

16. INVENTORIES

Group	31.12.2022	31.12.2021
	€	€
Consumables (At cost)	**23,006**	20,230

17. TRADE AND OTHER RECEIVABLES

Group	31.12.2022	31.12.2021
	€	€
Receivable from trade customers	**7,212,752**	4,706,906
Receivable from related parties	**73,687**	-
Other receivables	**260,162**	328,444
Other taxes (VAT, payroll)	**61,031**	30,178
Accrued income	**577,879**	739,627
	8,185,511	5,805,155

At 31 December 2022, trade and other receivables to the value of €Nil (2021 : €52) were impaired and fully provided for.

Movements in the provision for impairment of trade and other receivables were as follows:

	31.12.2022	31.12.2021
	€	€
At 1 January	**52**	13,293
Provision for doubtful debts	**-**	52
Release of provision for doubtful debts	**(52)**	(13,391)
Exchange rate variance	**-**	98
At 31 December	**-**	52

Company	31.12.2022	31.12.2021
	€	€
Receivable from trade customers	**710,640**	842,202
Receivable from related parties	**101,380**	251,496
Loans to related parties	**371,060**	516,915
Other taxes (VAT, payroll)	**8,496**	1,567
Accrued income	**127,254**	50,773
Total trade & other receivables	**1,318,830**	1,662,953
Less: non-current portion – Loans to related parties	**(220,780)**	(371,061)
Current portion	**1,098,050**	1,291,892

Amounts receivable from trade customers are non-interest bearing and are generally on 30 to 95 day terms.

At 31 December 2022, trade and other receivables to the value of €Nil (2021 : €Nil) were impaired and fully provided for.

18. PREPAYMENTS

Group	**31.12.2022**	31.12.2021
	€	€
Current		
Prepaid expenses	**335,065**	277,838

Company	**31.12.2022**	31.12.2021
	€	€
Current		
Prepaid expenses	**78,883**	116,910

19. CASH AND CASH EQUIVALENTS

Group	**31.12.2022**	31.12.2021
	€	€
Cash on hand	**301**	53
Cash at bank	**3,240,220**	3,142,250
Short term deposits	**552,261**	537,007
	3,792,782	3,679,310

Included in cash at bank is restricted funds of €262,218 (2021: €208,264).

Company	**31.12.2022**	31.12.2021
	€	€
Cash at bank	**1,154,822**	887,936
Short term deposits	**186,916**	176,367
	1,341,738	1,064,303

Included in cash at bank is restricted funds of €Nil (2021: €Nil).

20. SHARE CAPITAL

Authorised share capital

	31.12.2022		31.12.2021	
	No.	**€**	*No.*	*€*
Ordinary share capital	**106,500**	**1,193**	106,500	1,193

Issued share capital

	31.12.2021		31.12.2020	
	No.	**€**	No.	€
Issued and fully paid				
Ordinary share capital	**66,500**	**747**	66,500	747

All issued share capital is classified as equity. The ordinary shares have a par value of 1p per share and are fully paid. These shares carry no right to fixed income or have any preferences or restrictions attached to them.

21. OTHER RESERVES

Group 31 December 2022	Capital Redemption Reserve €	Legal and statutory reserve €	Foreign currency translation reserve €	Total €
At 1 January 2022	**168**	**610,026**	**227,366**	**837,560**
Foreign currency exchange decrease	**-**	**-**	**(26,144)**	**(26,144)**
Transfer from retained earnings	**-**	**222,773**	**-**	**222,773**
At 31 December 2022	**168**	**832,799**	**201,222**	**1,034,189**

Group 31 December 2021	Capital Redemption Reserve €	Legal and statutory reserve €	Foreign currency translation reserve €	Total €
At 1 January 2021	168	342,032	224,893	567,093
Foreign currency exchange increase	-	-	2,473	2,473
Transfer from retained earnings	-	267,994	-	267,994
At 31 December 2021	168	610,026	227,366	837,560

Nature and purpose of other reserves

Legal and statutory reserve
The legal and statutory reserves of €832,799 (2021 : €610,026) are according to local applicable laws and statutory regulations in the subsidiary jurisdictions of Romania, Moldova and Poland. They are created and adjusted based on profit by transfers from retained earnings.

Foreign currency translation reserve
The translation reserve represents the revaluations of overseas foreign subsidiaries.

Company 31 December 2022	Capital Redemption Reserve €
At 1 January 2022 and 31 December 2022	168

Company 31 December 2021	Capital Redemption Reserve €
At 1 January 2021 and 31 December 2021	168

22. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities:

Group	**Accelerated tax depreciation**	**Other timing differences**	**Lease Liabilities**	**Tax Losses**	**Total**
	€	**€**	**€**	**€**	**€**
Balance at 1 January 2021	947	90,120	9,083	30,305	130,455
Charge to profit or loss	609	14,050	987	(25,126)	(9,480)
Foreign currency exchange	(8)	(957)	(119)	354	(730)
Balance at 1 January 2022	**1,548**	**103,213**	**9,951**	**5,533**	**120,245**
Charge to profit or loss	**(6,853)**	**74,118**	**(2,955)**	**(5,594)**	**58,716**
Foreign currency exchange	**(42)**	**(1,019)**	**(26)**	**61**	**(1,026)**
Balance at 31 December 2022	**(5,347)**	**176,312**	**6,970**	**-**	**177,935**

At the balance sheet date, the group has unused tax losses of € Nil (2021 : €30,370) available for offset against future profits. No deferred tax asset has been recognised in respect of € Nil (2021 : €24,837) of these losses as it is not considered probable that there will be future taxable profits available.

These amounts have been classified in the statement of financial position as follows:

Group	**31.12.2022**	31.12.2021
	€	€
Deferred tax assets	**177,935**	123,254
Deferred tax liabilities	**-**	(3,009)
	177,935	120,245

23. TRADE AND OTHER PAYABLES

Group	**31.12.2022** **€**	31.12.2021 €
Payable to trade suppliers	**273,591**	289,441
Payable to related parties	**617,883**	522,206
Other payables	**377,882**	269,583
Accrued liabilities	**1,161,293**	886,045
Other taxes (VAT, payroll)	**610,060**	454,751
	3,040,709	2,422,026

Company	**31.12.2022** **€**	31.12.2021 €
Payable to trade suppliers	**8,342**	5,864
Payable to related parties	**255,588**	329,215
Other payables	**8,088**	886
Accrued liabilities	**87,835**	63,969
Other taxes (VAT, payroll)	**-**	-
	359,853	399,934

The average credit period taken on trade payables is 30 days and no interest has been charged on the payable balances.

24. RIGHT-OF-USE-ASSETS

At 31 December 2022 **Right-of-use assets**	**Buildings** **€**	**Computer Hardware** **€**	**Computer Software** **€**	**Total** **€**
Cost				
At 1 January 2022	**2,458,291**	**185,942**	**30,705**	**2,674,938**
Additions	**-**	**-**	**-**	**-**
Revision due to indexation	**76,226**	**-**	**-**	**76,226**
Disposals	**-**	**-**	**-**	**-**
Foreign currency exchange differences	**(9,976)**	**340**	**56**	**(9,580)**
At 31 December 2022	**2,524,541**	**186,282**	**30,761**	**2,741,584**
Accumulated depreciation				
At 1 January 2022	**688,524**	**94,790**	**21,987**	**805,301**
Depreciation	**501,004**	**46,197**	**8,674**	**555,875**
Disposals	**-**	**-**	**-**	**-**
Foreign currency exchange differences	**(10,065)**	**80**	**22**	**(9,963)**
At 31 December 2022	**1,179,463**	**141,067**	**30,683**	**1,351,213**
Carrying amount				
At 1 January 2022	**1,769,767**	**91,152**	**8,718**	**1,869,637**
At 31 December 2022	**1,345,078**	**45,215**	**78**	**1,390,371**

At 31 December 2021 **Right-of-use assets**	**Buildings** **€**	**Computer Hardware** **€**	**Computer Software** **€**	**Total** **€**
Cost				
At 1 January 2021	1,332,261	189,039	31,216	1,552,516
Additions	1,656,372	-	-	1,656,372
Disposals	(528,591)	-	-	(528,591)
Foreign currency exchange differences	(1,751)	(3,097)	(511)	(5,359)
At 31 December 2021	2,458,291	185,942	30,705	2,674,938
Accumulated depreciation				
At 1 January 2021	620,355	50,112	12,527	682,994
Depreciation	398,392	45,768	9,722	453,882
Disposals	(329,120)	-	-	(329,120)
Foreign currency exchange differences	(1,103)	(1,090)	(262)	(2,455)
At 31 December 2021	688,524	94,790	21,987	805,301
Carrying amount				
At 1 January 2021	711,906	138,927	18,689	869,522
At 31 December 2021	1,769,767	91,152	8,718	1,869,637

24. RIGHT-OF-USE-ASSETS (continued)

The Group leases several assets including buildings, plants, IT equipment and software. The average lease term is 5 years (2021: 5 years). Approximately one fifth of the leases for property, plant and equipment expired in the current financial year. The expired contracts which were replaced by new leases for identical underlying assets resulted in additions to right-of-use assets of €Nil in 2022 (2021 : €214,860) which is included in total additions of €Nil (2021 : €1,656,372).

The maturity analysis of lease liabilities is presented in note 25.

	31.12.2022	31.12.2021
Amounts recognised in profit and loss	**€**	€
Depreciation expense on right-of-use assets	**555,875**	453,882
Interest expense on lease liabilities	**43,087**	43,704
Expense relating to short-term leases	**82,523**	57,033

At 31 December 2022, the Group is committed to €12,033 (2021 : €29,204) for short-term leases. The Group do not have any property leases that contain variable lease payment.

25. LEASE LIABILITIES

	31.12.2022	31.12.2021
	€	€
At 1 January 2022/2021	**1,954,380**	937,545
Additions	**-**	1,656,372
Revision due to indexation	**76,226**	-
Disposal	**-**	(199,471)
Loss on termination	**-**	1,527
Interest accrued on lease liability	**43,087**	43,704
Payment of lease liability	**(572,298)**	(466,173)
Lease rent concession	**(4,551)**	(18,637)
Foreign currency exchange differences	**(27,011)**	(487)
At 31 December 2022/2021	**1,469,833**	1,954,380
Maturity analysis		
Year 1	**576,854**	595,802
Year 2	**408,548**	556,517
Year 3	**332,847**	390,081
Year 4	**196,194**	312,532
Year 5	**-**	183,303
	1,514,443	2,038,234

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

26. EVENTS AFTER THE BALANCE SHEET DATE

BCP Asia II Topco II Pte. Ltd., a private equity fund managed by Blackstone ("Blackstone") have executed a share purchase agreement ("SPA") with the promoter and promoter group of R Systems International Limited, parent company of R Systems Computaris International Limited, UK ("R Systems") to purchase their entire stake i.e. 51.67% in R Systems on the terms and conditions set out in the SPA ("Transaction"). As per applicable laws, Blackstone will also launch a conditional delisting offer to acquire remaining stake from public shareholders of R Systems. Further, the shareholders of R Systems have approved the delisting proposal.

The transaction is expected to be completed in the coming months, subject to necessary closing conditions and regulatory approvals. However, due to this the Directors do not foresee any going concern challenge for the Group.

27. ULTIMATE PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking is R Systems International Limited, a company registered in India, which owns 100% of the company's shares.

The largest and smallest group in which the results of the group are consolidated is headed by R Systems International Limited. The consolidated financial statements of this company are available to the public and may be obtained from its registered address, GF-1–A, 6, Devika Tower, Nehru Place, New Delhi- 110019 India.