ingenta

Annual Report

For the year ended 31 December 2021

Registered number: 00837205

Directors and advisers

Executive Directors

G S Winner, Chief Executive Officer
J R Sheffield, Chief Financial Officer

Non-Executive Directors

M C Rose, Chairman
M A Rowse
N W Kirton
S J G White
B H Holmström (resigned 30 June 2021)

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J R Sheffield

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Contents

The Directors submit to the members their report and accounts of the Group for the year ended 31 December 2021. Pages 1 to 22, including the Chairman's statement, Corporate governance statement and Directors' remuneration report, form part of the Directors' report.

Ingenta at a glance

Who we are

Born from the publishing industry, Ingenta provides mission critical software designed to solve the unique problems faced by information and content providers. We tailor our suite of industry-specific technology products to create robust solutions to manage our customers IP and content requirements.

What we do

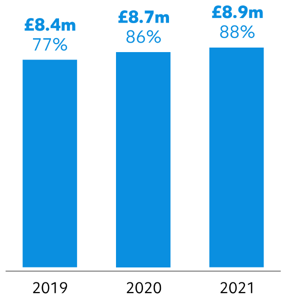
Ingenta provides websites to distribute and control online content along with back-end software to handle the complexities of Intellectual Property rights management. We support a full spectrum of clients ranging between global publishing giants and academic and trade publications, right through to prestigious NGO's and established music record labels.

Why we stand out

Whether through our back-end systems or front-end delivery, our technology is format agnostic, enhances discoverability through metadata best practices or semantic enrichment, and enables new opportunities to monetise intellectual property - from full rights management to Patron Driven Acquisition to content fragmenting and bundling.

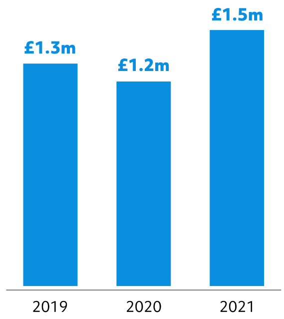
We pride ourselves in understanding our clients' markets and customers, and work with them to implement solutions to the problems, not just selling technology. Our software and services are designed to harness evolving technology and exploit future opportunities and this, combined with our extensive industry knowledge, makes Ingenta the complete business partner.

Highlights



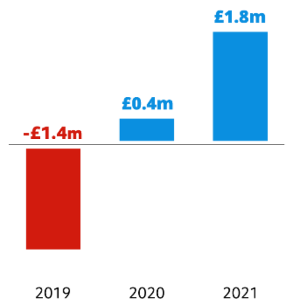
Annual Recurring Revenue

Annual Recurring Revenue (ARR)* of £8.9m
representing 88% of total revenue
(2020: £8.7m, 86% 2019: £8.4m,77%)



Adjusted EBITDA

Adjusted EBITDA** of £1.5m
(2020: £1.2m 2019: £1.3m)



Net profit

Net profit*** of £1.8m
(2020: £0.4m 2019: loss £1.4m)

Revenues

Revenues stable at **£10.1m** (2020: £10.2m 2019: £10.9m) reflecting a focus on core software offerings

Operating cash

Operating cash inflows of **£2.0m** in the year (2020: £0.8m 2019: £1.7m)

Cash balance

Cash balances at year end of **£3.0m** (2020: £2.3m 2019: £2.6m)

Proposed final dividend

Proposed final dividend of **2 pence per share**, subject to shareholder approval at the 2022 AGM (2021: 1.5 pence)

Earnings per share

Earnings per share of 10.93 pence (2020: 2.67 pence 2019: loss 7.98 pence)

Operational Key Points

First

First music customer won and deployed onto our conChord IP management platform, leading to increasing interest from other music publishers within this substantial target market.

Go-live

4 customer go-lives across the product portfolio during the year.

Completion

Completion of internal infrastructure plan with improved resilience and operational flexibility.

* ARR – Revenue generated and recognised in the year from annually recurring software support contracts, hosting services and managed services.
** Adjusted EBITDA – EBITDA before impairment, amortisation, gain / loss on disposal of fixed assets, foreign exchange gain / loss and exceptional non-recurring costs. A calculation is provided in note 5 to the accounts. Adjusted EBITDA is a key performance measure included within published broker forecasts.
*** Net profit in 2021 includes a £1.2m deferred tax credit

Product Review

Ingenta Commercial

The Ingenta Commercial framework provides a range of applications designed to move your content forward in today's marketplace, combining the best business solutions for both print and digital products including full management of IP assets.

- Royalties
- Product management
- Online Sales & Marketing
- Digital & Print Distribution
- Subscription Management

Ingenta Content

Our Ingenta suite of content distribution platforms enable publishers of any size, discipline or technical proficiency to convert, store, deliver and monetise digital content.

- Online Platforms
- Semantic Enrichment
- Mobile
- E-commerce
- Access Entitlement

Ingenta Advertising

Our advertising solution is a complete, browser-based multimedia advertising, CRM and sales management platform for content providers. With the ability to sell and track digital and print ads in a single system, maximise the value of your audience with streamlined ad sales, packaged ad buys and multi-channel campaigns, generating new revenues from previously untapped sources.

- Multimedia bookings
- Packages and bundles
- Inventory management
- Finance/credit control
- CRM

The Ingenta Audience data management platform (DMP) processes enriched data to gain valuable insights on your users. These insights empower advertisers to ensure that their creative advertising campaigns reach and engage with their target audiences.

Ingenta Services

Publishers Communication Group

Publishers Communication Group (PCG), is an internationally recognised sales and marketing consulting firm providing a range of services designed to support and drive clients' sales strategy. PCG has advocated for scholarly publications and digital content around the world for over a quarter of a century.

Ingenta Commercial

The Ingenta Commercial suite is an ERP solution for publishers which supports any product from ideation, contract management through to order fulfilment and cash collection. The following components of the Commercial system can be purchased separately, in any combination, or as a complete enterprise system:

Content lifecycle manager (CLM)

This module helps manage product processes and control workflow. It provides a central repository in which core bibliographic data, associated assets and rights can be stored and organised.

Contracts, Rights and Royalties (CRR)

Managing electronic rights, sub rights, fragments and permissions, the Rights element of CRR ensures that content owners get the most from their assets, no matter the size, format, or fine details of the transaction.

- Real-time visibility of rights inventory
- Complete tracking of expiration, publication, and sales histories
- Support for chapter, image, and fragment sales
- Full downstream management of rights income

In addition, CRR manages the full IP lifecycle, ensuring legal issues, from territorial rights and marketing obligations to supply chain management and insurance, are properly considered and consistently administered. Contracts management within CRR underpins the system and enables consistency and compliance across your organisation, to avoid potentially costly disputes.

The Royalties element of the CRR application enables publishers to calculate complex royalties quickly, easily and with confidence, and provides authors with a self-service interface. This allows publishers to better serve their authors, contributors, illustrators, and other rights owners from initial contract to final payment. CRR is considered the only system on the market able to handle the complexities and nuances of today's most creative deals.

- Complex royalty calculations
- Support for multiple currencies and international tax reporting
- Streamlined operations and cash flow forecasting
- Improved author care with user-friendly interface

Order to Cash (O2C)

The Order to Cash application allows publishers to package, market, sell and deliver content in the formats that readers demand across all aspects of processing and integration.

Ingenta Aperture

Launched in 2018, Ingenta Aperture allows customers to create a view into their data which can be accessed on demand, regardless of where the information is stored. Access rights can be set to make sure sensitive information is shared on a 'need to know' basis. This allows business to share insights, securely, on their own terms. Typical uses include:

- Authors accessing royalty statements
- Detailed product, pricing, bundling and order information; on demand for bookstores
- Metadata access for project contributors
- On-the-go access for representatives

Ingenta conChord

Ingenta conChord is a configurable browser-based platform that helps manage the complexities of music contracts, copyright, and associated royalties. It provides a complete solution for music publishers wanting more control and better visibility over licenced content. It also allows you to sell the music rights onto third parties and track earnings received. Music can be experienced in different ways and Ingenta conChord provides the flexibility to handle:

- Mechanical royalties
- Print royalties
- Performance royalties
- Sync royalties

Vista

Vista, a legacy enterprise level product family, provides a range of applications enabling Book Fulfilment, Subscription Management, Third Party Distribution and Royalties Management, delivered through several managed services, including:

- Applications Implementation Services (AIS)
- Applications Support and Updates (ASU)
- Applications Management Services (AMS)
- Applications Hosting Services (AHS)

Ingenta Content

Our Content products deliver over 700 million page views and data requests per year through our fully outsourced Ingenta Connect scholarly portal, our custom, semantically enriched, multi-format Ingenta Edify platform and E-commerce solution.

These products enable publishers of any size, discipline, or technical proficiency to convert, store, deliver, and monetise digital content.

Ingenta Edify

The Ingenta Edify platform is a custom hosting solution that supports and delivers all the information a data provider will publish. The result of a multi-year research and development program, our solution has been built from the ground up using a powerful combination of industry standard architecture and semantic web technologies. Ingenta Edify maximises the visibility, usage, and value of publishers' content via semantic enrichment while optimising content licensing around flexible E-commerce and access controls regardless of format or type.

- Provides seamless access to all content in all its formats
- Harnesses semantic discovery and drives usage with intuitive routes into research
- Allows content to be repackaged easily to experiment with new business models
- Delivers content via desktop, tablet, or smartphone
- Uses sophisticated access control

Ingenta Connect

Ingenta Connect hosts content for around 140 publishers and is the home of scholarly research. Academics and students from over 25,000 registered institutions around the world have access to tens of thousands of publications, leading to an average of 32 million page views per year, delivering over 200,000 downloads per month. Our fully outsourced e-publishing package is a turn-key platform solution and a proven channel to get content online quickly, easily and affordably.

On Ingenta Connect, there is a broad spectrum of cost-effective services to choose from, whether a publisher is taking content online for the first time, looking to increase revenues through online activity or thinking of creating a custom-branded website.

- Data conversion & enhancement
- Secure web hosting
- Flexible E-commerce
- Linking and distribution
- Ahead-of-publication solutions
- Continuous publishing models
- Collection bundling and Virtual Publication creation
- Archival Digitisation and delivery

Ingenta Connect Unity

The Ingenta Connect Unity option provides publishers with a branded view of Ingenta Connect. It is ideal for publishers wanting to utilise all the features the Ingenta Connect platform offers through their own website.

Ingenta Advertising

Ingenta Advertising is the division of products which caters for advertising and media products which are used by a variety of consumer, media, broadcast and media organisations:

Ingenta ad DEPOT

Ingenta ad DEPOT is a complete, browser-based multimedia advertising, CRM and sales management platform for content providers. With the ability to sell and track digital and print ads in a single system, publishers can maximise the value of their audience with streamlined ad sales, packaged ad buys and multi-channel campaigns, generating new revenues from previously untapped sources.

Ingenta ad DEPOT manages:

- CRM
- Multimedia bookings
- Packages and bundles
- Inventory management
- Traffic
- Finance/credit control

Ingenta Market Place

Ingenta Market Place provides a means for suppliers to book advertising space(s) on a retailer's website. This enables the retailer to easily view, select and confirm optimum suppliers' product(s) for each position, to maximise revenues. One of our customer's, J Sainsbury plc, is successfully using this platform.

Publishers Communication Group

Publishers Communication Group (PCG), an Ingenta company, is an internationally recognised sales and marketing consulting firm providing a range of services designed to support and drive clients' sales strategy. PCG has advocated for scholarly publications and digital content around the world for over a quarter of a century.

Experience

Now in its third decade, PCG has helped publishers launch sales and marketing efforts in new regions, shore up existing business, conduct market research and analysis, and negotiate lucrative consortia deals. Our established network of faculty, library selectors, consortia leaders and end-users, paired with our seasoned, multilingual sales teams makes us an ideal partner for a publisher of any size.

Connections

PCG team members have held positions at academic and medical libraries, subscription agents and publishers including, Wiley, Mango Languages, OCLC, Ingram, Lyrasis, LexisNexis, the MIT Press, Elsevier, Cengage, NEJM, JBJS, Forrester Research, Sage, and Taylor & Francis, resulting in over 200 years of collective industry experience. Their extensive global network includes tens of thousands of library selectors from academic, corporate, medical libraries and consortia worldwide.

Trusted Partner

PCG clients include commercial publishers, non-profit associations and electronic services providers. Publishers trust that we will promote their content to the right people and in the most impartial manner possible by providing measurable results and explicit data to help justify marketing expenditure.

Global Reach

PCG's multilingual team consistently develops new relationships with key decision-makers across the world.

Chairman's statement

Overview

I'm pleased to report on the Group's continued progress in 2021 and in particular, the actions taken to improve operational efficiency as we strive to generate improved margins, profitability and cashflow. With sound fundamentals in place, the Group is well positioned to broaden its reach beyond the traditional publishing sphere of Intellectual Property management and into a variety of adjacent vertical markets. As previously announced, the first target for expansion is within the music sector and the Group won and successfully deployed its first customer onto its multitenancy music IP management platform, which has been designed to meet the ever-increasing challenges faced by those operating in this sector.

Elsewhere, our web-based content platform business has also performed well, and we successfully deployed three new customers to our Edify solution. Encouragingly, two of these go lives were for prestigious NGO's which represents a growing opportunity for the Group and a diversification away from scholarly content providers.

As outlined above, the main success story for the year was the improved margin and profitability driven from our loyal customer base. To a large extent this is due to the expansion of our service offering which has been designed, in part, as a solution for customers who do not want to manage the peripheral or technology related requirements of running and maintaining a software package. In addition to the widened service offering, the Group has maintained a close focus on internal processes to ensure all services are designed, contracted and delivered in an efficient fashion. Our utilisation levels for professional service staff have been on an upward trend in 2021 and this remains a key focus going forwards.

Ingenta has a wealth of experience in both technology and its use within content delivery and IP management, providing a foundation for growth in an increasingly complicated environment where customers are continually searching for new and improved ways of managing their business processes.

Operational flexibility

It has been over two years since Covid impacted on us all and I'm proud of the resilience, flexibility and dedication of all the teams at Ingenta. In rapid time, the whole Group successfully migrated to remote working whilst continuing to service our loyal customer base, many of whom experienced additional support requirements as they adapted their own business processes. However, whilst this initial change was enforced, the Group has taken the initiative and looked to fundamentally adapt and remodel our infrastructure within physical premises, IT or internal working processes. Everyone should be proud of their contributions to this, the new and agile Ingenta.

Shareholders' returns and dividends

During the year, the Company completed a share buyback programme and repurchased a further 440,826 ordinary shares. At the year end, the Company had 16,919,609 ordinary shares in issue, with a total of 587,930 shares held in treasury.

The Directors declare their intention to pay a dividend in 2022 of 2 pence per share (2021: 1.5 pence) subject to approval at the forthcoming AGM.

Outlook

The Group's core Commercial and Content software solutions provide a mission critical service enabling publishers to run their business and manage their IP assets. With our newly established operating fundamentals firmly in place and generating returns, the Group can look forward with optimism to the next stage of its development – generating revenue growth and leveraging our expertise in the wider IP management arena. The Group has taken its first step into the music IP sector and will look to expand on this whilst continuing to drive growth in our existing core markets.

M C Rose
Chairman
24 June 2022

Financial review

Business Strategy

Ingenta is a provider of mission critical software and services to the publishing sector, with growth aspirations in adjacent industries. Operationally, the Group has moved to a product agnostic services architecture enabling it to offer an integrated approach to servicing customers whereby service levels and software are standardised, and as a result, resources are utilised more efficiently. The Group's focus is to accelerate growth in recurring revenue via the sale of software as a service wherever possible.

Product review

Ingenta Commercial

Ingenta Commercial provides a variety of modular publishing management systems for both print and digital products. A core area of expertise is within Intellectual Property and the Group is looking to leverage its existing expertise in contracts, rights and royalties management by expanding into adjacent verticals. conChord, a solution designed for the music industry, has already been released and successfully deployed and we believe there are further opportunities in other verticals where IP management is an increasing concern for customers.

Reported revenues increased marginally to £6.7m (2020: £6.6m) with the Group remaining focussed on driving recurring revenues by offering ongoing peripheral services in addition to the standard software support. In this respect, the hosted service offering has been well received and has helped increase managed services revenues in the division. The revenues reported in the year that are recurring in nature increased from £5.4m to £6.1m. Reported earnings before interest, tax, depreciation and amortisation (EBITDA - see note 4) declined slightly from £0.85m to £0.78m and was largely the result of enhanced post go live support on a number of customers as they transition from implementation to normalised support.

Ingenta Content

The Ingenta Content suite of products enable publishers of any size, discipline or technical proficiency to convert, store, deliver and monetise digital content on the web.

Annual revenue increased from £2.3m to £2.4m helped by three new customer go lives on the Edify platform during the year and an active base of customer change request work. Importantly, the Group continues to successfully diversify into new markets with the addition of 2 further NGO customers. Divisional EBITDA (see note 4) increased from £0.32m to £0.52m and was driven by the efficient deployment of the new customers sites which moved onto support during the year.

Ingenta Advertising

Ingenta Advertising provides a complete browser-based multimedia advertising, CRM and sales management platform for content providers.

The business anticipates that the Group's Advertising offering will become a component of the larger Commercial and Content Products divisions and, in time, its revenues will be less clearly distinguished as a separate CGU. Reported revenue remained stable at £0.8m (2020: £0.8m). Segmental EBITDA for the advertising division (note 4) increased marginally from £0.2m to £0.24m, largely as a result of improved support efficiency plus additional project work undertaken in the year.

PCG

The PCG consulting arm provides a range of non-software services designed to support and drive a business's sales strategy. Strategically, the team's skills are being increasingly used to drive sales pipeline for the wider Group in addition to their own customer portfolio work.

Annual revenue declined slightly to £0.3m (2020: £0.4m) and was a result of a challenging sales market. Part of the divisions business is driven from sales commission and activity was somewhat depressed as buyers held off making purchases during Covid restrictions. Segmental EBITDA (note 4) improved from a loss of £0.2m to a loss of £0.1m driven by the Group's policy of reallocating PCG resources to the wider Group marketing function in order to improve sales pipeline growth across the business. Going forward, it is envisaged that PCG and Advertising will no longer be reported as separate divisions.

Financial Performance

Group revenue was stable at £10.1m (2020: £10.2m) but encouragingly, the recurring revenue base has been expanded slightly to £8.9m or 88% of the reported total (2020: £8.7m and 86%). This increase in recurring revenues is due to the uptake of ongoing managed services where the business is expanding its offering.

Although revenue was stable, the Group's cost of sales declined from £5.7m to £5.5m as the previous actions taken to streamline operational efficiency begin to take hold. Consequently, gross profit increased to £4.7m (2020: £4.4m). Further operational efficiencies have been generated within administration overheads helping yield profit from operations of £0.8m (2020: £0.5m).

Sales and marketing spend was stable at £0.7m but it masks a conscious switch in tactics as the Group looks to embrace digital marketing strategies rather than traditional in person event attendance. These efforts are starting to build a broader pipeline of opportunities that the Group is looking to exploit going forward. Administrative costs have declined from £3.3m to £3.2m again largely as a result of the previously reported efficiency drive including removal of operational silos and a change in infrastructure mix within the business.

No tax charge is anticipated for 2021 as the Group continues to utilise brought forward tax losses.

Financial Position

Non-current assets include goodwill and intangibles recognised on historic acquisitions. In 2021, Goodwill relates solely to the core Content platform software which will be used to drive growth in the future. Goodwill relating to historic acquisitions is tested for impairment each year using discounted cashflows. No impairment was identified in 2021. Property, plant and equipment reductions are a direct result of the Group's infrastructure strategy which has seen us move IT and personnel out of physical business premises.

Current assets have increased from £4.5m to £4.8m which is the result of improved profitability driving cash generation. Additionally, throughout the Covid pandemic there have been very few instances of bad debt as the Group's customer base remains relatively shielded in an operational sense from the impacts of social restriction and the Groups services remain business critical to end users.

Total liabilities have declined from £4.8 to £4.6m as prior year finance lease commitments undertaken for our hosting infrastructure are paid down.

Cashflow

The Group generated a cash inflow from operations of £2.0m compared to £0.8m in 2020. Critically, the Groups restructuring has improved efficiency and margins which flows through to cash generation as all research and development efforts are expensed. Outside of normal operational activity, the Group has paid dividends of £0.4m (2020: £0.3m) and completed a share buyback programme which amounted to an outflow of £0.3m (2020: £0.1m). Closing cash balances were £3.0m (2020: £2.3m)

Key Performance Indicators

The Board and senior management review a number of KPI's continually throughout the year, all of which form part of the monthly management accounts process and include:

- Revenue versus budget and monthly reforecast
- Adjusted EBITDA (see note 5 for calculation) versus budget
- Group cashflow versus budget
- Sales pipeline growth and conversion analysis
- Time utilisation statistics

Any deviations or anomalies are investigated, and corrective action taken where appropriate.

Full year revenues were below budget largely because of shortfalls on new sales targets as the Covid pandemic restricted activity. As has been widely publicised elsewhere, the pandemic has slowed sales cycles and occasionally delayed implementations. However, interest for our products and services remains high.

Adjusted EBITDA was higher than budget driven by acceleration of certain planned savings in infrastructure, delayed hiring of staff and restricted marketing activity.

Year-end cash balances were £0.7m above budget reflecting increased profitability and timing of receipts around year end.

The Group monitor sales activity with reference to monthly sales pipeline reports. These reports detail sales opportunities by product with metrics around expected project timelines and revenue recognition estimates so that management can deploy resources adequately to ensure the best chance of success in the bidding process. When any items are removed from the pipeline due to either a successful sale or a lost opportunity, management carry out a detailed analysis to ensure the reasons are understood and any actions required are taken.

The business monitors time utilisation at a contract level to enable accurate pricing decisions to be made ensuring profitable service delivery. Internal development costs are also reviewed to ensure the appropriate effort is spent supporting the products and deliver an effective product roadmap.

Going concern

The core fundamentals of the Group remain strong with cash reserves of £3m and no debt beyond leasing arrangements. In addition, further cost saving opportunities have been identified as the Group look to reduce their physical premises cost and associated overheads as leases naturally expire over the coming years. Management are satisfied that cash is sufficient for the needs of the business based on the cash flow forecast. The going concern review covered the period to the end of June 2023.

The Covid outbreak continues to add some uncertainty to financial forecasting and modelling. However, at an operating profit level, the Group's results for the first quarter of 2022 have been better than budget. New sales activity remains subdued with the timing of any uplift difficult to predict. The Group continues to embrace established remote working practices without any significant impact to services. Any ongoing implementations and professional services can also be delivered remotely by Ingenta personnel. The internal business infrastructure is contracted with large multinational corporations and remains resilient. The Group has modelled various downside scenarios and consider it appropriate to use the going concern basis to compile these financial statements. Further details on going concern are included in the accounting policies section of the financial statements.

Outlook

Ingenta achieved a key milestone in 2021 by successfully deploying its first music customer onto conChord which significantly provides us with a referenceable client and independent validation that our IP engine is flexible enough to step into adjacent verticals. Our marketing effort is now targeted on enhancing the messaging in this sector in order to build momentum and boost sales pipeline growth.

The Group is also actively exploring further opportunities to drive expansion of the newly invigorated managed services division which is a key offering that provides real value to customers who no longer wish to be encumbered with peripheral activities as they relate to software infrastructure.

Pleasingly, 2022 has started well, with reported profits ahead of budget and the prior year, giving the Board optimism for the future.

On behalf of the Board.

J Sheffield
Chief Financial Officer
24 June 2022

Section 172 Statement

The Directors continually monitor the operations of the business and take decisions to promote the success of the Group for the benefit of all its members. As described in the Business Strategy section of the Financial Review, the Directors have selected a business model and operational structure designed to maximise the effectiveness of the business for all stakeholders. The likely consequences of any decisions are modelled to provide assurance that they are in the long-term interest of stakeholders and, as detailed in the Corporate Governance Report included in the 2021 Annual Report, risk management and internal controls are a key oversight to ensure objectives are met. The Group have also adopted the QCA Corporate Governance code which is designed to foster strong relations with all stakeholders and details are included on the Group's website. In addition to our shareholders, the Board considers the employees, customers and suppliers to be critical to the long-term success of the business.

Shareholder engagement

The Board is committed to maintaining active dialogue with its shareholders to ensure that its strategy, business model and performance are understood. The AGM is the main forum for dialogue between retail shareholders and the Board. The notice of the AGM is sent at least 21 days before the meeting which is held at the Group's Head Office and all Board members routinely attend. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. During the meeting, the Board members are available to answer any questions raised by shareholders. The results of the AGM are subsequently published via a Regulatory Information Service and on the Company's corporate website. The Chief Executive Officer and Chief Financial Officer are primarily responsible for shareholder liaison and can be contacted on 01865 397 800. The executive management make presentations to institutional and retail shareholders and analysts each year following the release of full year and half year results. Conversations, when requested, are also held at other points in the year. The corporate website also includes details of recent annual and interim results and all of the Group's RNS and RNS Reach announcements. The Board and Executive management team have shareholdings and share options in the Group which are designed to align the goals and decisions made on behalf of all shareholders. Dividend policy and strategies to increase shareholder value are key considerations.

Employee engagement

Staff are invited to Companywide meetings where the Executive Team share information and updates on strategy and recent news. At these meetings, there is also a forum where all members of staff can ask questions. Ingenta also retain an independent HR resource to ensure all HR issues are dealt with in accordance with best practice and all rules and regulations are adhered to. Decisions made which affect staff are opened up to feedback. An example of this being the return-to-work policy after Covid restrictions which promoted a consideration of individual circumstances and requests.

Customer engagement

The Group has many customers of differing sizes and complexity with a variety of requirements. To best service them, the business has rolled out a new operating model to standardise its approach to all customers and provide a consistent level of service and support. The business also keeps regular contact with customers via account managers and user groups where demand exists so that our customers can feed back any issues, share experiences and help shape the development of our products. Each quarter software releases are made available and the Group considers the impact on customers by scheduling in convenient times for upgrades and also allowing change requests where appropriate. To ensure the business is keeping abreast of wider industry challenges, we actively participate in a variety of annual trade events.

Supplier engagement

The Group makes every effort to ensure our suppliers are treated fairly and paid on time and on average they are paid within 26 days. Ingenta opposes modern slavery in all its forms and endeavours to make sure any concerns raised are investigated. Where offshore resourcing is used, the business meets the suppliers prior to contract signing to satisfy itself that they are operating in a responsible manner. Where appropriate, the Group have contracts in place which ensure clarity over the terms of the engagement.

Company culture

The Board and senior management expect everyone in the company to act in a responsible and ethical manner because the reputation of the business is key to our success. The Group does not let cost concerns override its ethics and behaviour. For example, we only contract with offshore resourcing entities who commit to fair working practices. The Company is committed to minimising negative environmental impact in terms of energy usage at our offices, digitising our content and using responsible methods to dispose of electrical equipment. The Company and staff are also active in the local community supporting charities and sponsoring good causes. Feedback from all stakeholders allow the Board to monitor the Company's culture, as well as the ethical values and behaviours within the business.

Risks and uncertainties

COVID-19

The COVID-19 pandemic continues to be considered a principal risk to the business bringing with it many significant uncertainties although to date they have been successfully mitigated. The Group has analysed the potential impacts and tailored its business continuity plan in response to the anticipated threats. All staff within the business have remote working capabilities and for many this is a normal operating procedure. In addition, the Group's new operating structure has fostered teams with interchangeable skills across the product offerings and technology stacks which, along with remote working, provides a more flexible staffing model better equipped to deal with illness and absence. The Group's IT infrastructure is hosted on resilient platforms using large corporate providers ideally suited to providing uninterrupted service.

The Group's customer base is reasonably diverse including trade and academic publishers who are not deemed to be at high risk at the present time. The Group also considers over 80% of its revenue to be recurring in nature with many customers on multiyear contracts. The Ingenta systems are central to the operations of its customer base and not deemed to be a discretionary spend although some project work may be impacted as customers wait to see what the implications of COVID-19 hold for them. The key concern identified by management is the inevitable delay in new sales as major investment decisions are put off. However, the Group has modelled various potential future scenarios including customer attrition and restrictions in new sales activity and predict the business will continue to operate profitably with sufficient working capital headroom. Also, a significant amount of the Group's renewals and cash are received in the first quarter of each year and at 31 March 2022 cash balances remained over £3m.

Sales risk

The major risks for future trading are converting sales of the Ingenta Content and Commercial product suite. Most of the business costs are fixed in the medium-term, being people and premises costs, and therefore there is a risk to Group profitability when budgeted revenue is not delivered as cost reductions will lag behind revenue reductions. To mitigate against this, management have reduced the fixed cost elements of the business by streamlining physical location costs. Management also undertakes detailed monthly revenue forecasting and assesses risk on an ongoing basis. Customer procurement processes remain difficult to predict, and any delays during contract negotiation will impact on the timing of project commencement and the level of revenue that can be recognised in the year. This is considered a principal risk for the business.

Project risk

There are two principal project risks: risk of fixed priced projects running over and the risk on all projects where there is development required that we are unable to deliver to the specification agreed.

Fixed price project risk relates to the accuracy of project estimates and the time it will take to complete the tasks as specified in the customer contract. Management mitigate this risk by hiring the best staff who are able to estimate projects accurately and by building in a contingency to fixed priced contracts. Management also closely monitor contracts to ensure all work performed is in accordance with the agreement and any new requests are separately contracted for. Management further mitigate the risk by taking on new projects on a time and materials basis wherever possible.

Projects requiring bespoke development also carry the risk that the development will not be able to be delivered in the way envisaged at the time of contract. Management take care to fully scope these development projects and use developers who understand the products and the complexities of building bespoke elements. This is considered a principal risk for the business.

IT risk

Internal IT services are deployed onto fault tolerant platforms and spread over multiple locations including the Group's offices, co-location facilities, Infrastructure as a Service (IAAS) and Office365. Regular backups and securing of data offer multiple restore points in the event of a critical failure outside of the scope of the in-built resilience. E-mail is a cloud-based deployment that staff can access from any working PC/smart phone. Staff have access to cloud-based storage (OneDrive) in addition to co-location deployed file servers where data cannot be stored in e-mail. Key staff have mobile phones and access to resilient telephony services for the purposes of contacting each other and customers. Through remote working staff can access their data and customer sites in the event that it was not possible to gain access to our offices.

Customer facing services are monitored for both stability and performance, wherever possible proactive maintenance is undertaken to avoid performance problems and/or downtime. All customer deployments are done to fault tolerant hardware either in one of our co-location facilities or to a cloud-based service, both offering high levels of resiliency and multiple, redundant access. Cyber security and data protection are considered within the Group's IT risk. A rolling quarterly cyber security training program has been rolled to all employees making them aware of current threats and guiding them on the correct actions to take. Data protection considerations are built into the IT infrastructure with internal data held securely and access restricted as necessary. For customer deployment risks, where Ingenta host data, the Group build in standard protection which can be further tailored for individual customer requirements. The Group's business continuity plan is available from multiple locations and is regularly updated to cover new services and deployments.

Foreign exchange risk

The Group operates internationally creating an exposure to changes in foreign currency exchange rates. The risk is mitigated by matching of foreign currency receipts and payments wherever possible.

HR risk

In a company with a high proportion of people-based revenue there is a risk of key staff leaving or being absent through sickness. This is mitigated by having appropriate notice periods built into employee contracts and ensuring there is adequate coverage for all staff roles with no individual solely responsible for significant revenue generation. Further, the Group now embraces a flexible working policy designed to augment basic pay and conditions which is seen as an important retention incentive.

Board members

Scott Winner
Chief Executive Officer

As CEO, Scott Winner builds and drives the organisation to deliver successfully across all areas of Professional Services, Research and Development, Customer Service and Service Delivery. Scott is responsible for overseeing and evolving how Ingenta creates and delivers new products, for deploying its innovations to customers and managing the overall operational execution, all with a strong metrics and analytics driven approach. Prior to his role as COO, Scott was EVP, Global Projects for Ingenta, but has previously held roles managing product line P&L, driving product development efforts and building successful organizations to deliver. He has worked across several different industries, including educational publishing, manufacturing and financial services, and has held roles at Pearson Education, Amplify Learning, McGraw-Hill and the Fireman's Fund insurance company.

Jonathan Sheffield
Chief Financial Officer and Company Secretary

As Chief Financial Officer, Jon is responsible for the financial well-being and stability of the organisation, as well as communicating with the investor community. Jon leads the Enterprise Services division of Ingenta with responsibility for HR, Facilities and Technology Infrastructure. Prior to his appointment as CFO, as Group Financial Controller, Jon managed the Ingenta Finance function, including all aspects of compliance, forecasting and reporting. An ACA qualified accountant, Jon spent the early part of his career in practice, latterly at PricewaterhouseCoopers LLP, managing audits and compliance over a broad range of companies and market sectors. Prior to joining Ingenta, he held similar finance roles in the IT and Retail industry. Jon qualified as a chartered accountant in 2001 before joining Ingenta in 2010.

Martyn Rose
Chairman

Martyn Rose is an entrepreneur specialising in refinancing and restructuring smaller companies and Chairman and a non-executive director of Ingenta. Martyn has helped steer the company toward its continued growth, stability and success since 1999 before the merger of Ingenta and VISTA International Limited to become Ingenta in 2007. Martyn is also a qualified barrister and became Chairman of his first publicly listed company at the age of 34. Since that time, he has been Chairman of over twenty five public and private companies with a present involvement in publishing software, online academic research, financial services, manufacturing, recruitment and commercial radio. In addition to his other commercial interests, Martyn has been a trustee of the Cystic Fibrosis Trust since 2000, a school governor and co-chaired the National Citizen Service.

Mark Rowse,
Non-executive Director

Mark Rowse is a media and publishing entrepreneur who specialises in creating and developing businesses where content meets the internet, particularly in the areas of digital publishing and online television. After graduation from the University of Cambridge with a first-class honours degree in Law, Mark worked at investment bank NM Rothschild & Sons Limited in mergers and acquisitions. Following this he entered the media industry and since the mid 1990's Mark has principally worked in the areas of the internet and digital television, pioneering digital interactive TV on airlines, co-founding Yes TV, now one of the major operators of on-demand TV in Asia, and launching Luxury Life, an international digital satellite TV channel. In 1998 he founded Ingenta plc, taking the company to a £120m flotation in 2000 and is now a non-executive director of Ingenta as a result of the merger of Ingenta and VISTA International Limited in 2007.

Neil Kirton
Non-executive Director

Neil Kirton is currently a Managing Director and Head of Business Intelligence in the London office of Kroll, a global leader in corporate investigations and risk consultancy. Prior to joining Kroll he was a Group Board Director at The Arbuthnot Banking Group plc having been Head of Corporate Finance and Chief Executive Officer of its securities business. Previously he held a range of senior equity market positions with Bridgewell Securities and ABN AMRO Hoare Govett Limited (now known as RBS HG (UK) Limited) where he was Deputy Chief Executive and Global Head of Equity Sales.

Sebastian White
Non-executive Director

Sebastian is an Investment Director at Kestrel Partners. Prior to joining Kestrel, he had 14 years as head of corporate development at UK AIM listed Alternative Networks plc, a communications and hosting provider to the mid-market. Sebastian's responsibilities included business planning, M&A process management, commercial due diligence and acquisition integration.

Directors' report

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

Directors

The Directors of the Company who held office during the year were:

Executive Directors

G S Winner, Chief Executive Officer

J R Sheffield, Chief Financial Officer

Non-Executive Directors

M C Rose, Chairman

M A Rowse

N W Kirton

B H Holmström (resigned 30 June 2021)

S J G White

The interests of Directors in the shares of the Company at 31 December 2021 are disclosed in the Directors' remuneration report.

Corporate governance

Details of corporate governance for the year to 31 December 2021 are disclosed in the corporate governance statement. The Directors of the company pay particular attention to maintain good working relationships with the Group's shareholders, customers, employees and suppliers. Further details are included on the Company website. The main effort in the year has been embedding the new Group structure which has the benefit of removing risk from the business ensuring a stable foundation is in place for the benefit of all stakeholders.

Research and development activities

The Group carries out research and development activities in connection with administration systems, web delivery, access control and linking technologies. All costs relating to these activities are charged to profit and loss within the Group Statement of Comprehensive Income as incurred. The charge to the Group Statement of Comprehensive Income was £1.0m (2020: £1.4m) in the year to 31 December 2021.

Substantial shareholdings

At the latest shareholder register update for the quarter ended March 2022, the Company had been notified of the following shareholders who are interested, directly or indirectly, in three percent or more of the issued share capital of the Company:

Name	Number of ordinary 10p shares	Percentage of issued ordinary share capital
M C Rose	4,645,412	28.44%
Kestrel Partners LLP	4,635,273	28.38%
Criseren Investments Limited	827,785	5.07%
Canaccord Genuity Wealth Management	1,543,207	9.45%
Emslie Family	679,250	4.16%
Premier Miton Group plc	670,049	4.10%

Financial risk management

Details of the Group's financial risks are given in note 25.

Employment policy

Group employees are regularly consulted by Management and kept informed of matters affecting them and the overall development of the Group. The Group's policy is to give disabled people full and fair consideration for job vacancies, having due regard for their abilities and the safety of the individual. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and appropriate training is arranged.

Directors' and officers' liability insurance

The Group, as permitted by sections 234 and 235 of the Companies Act 2006, maintains insurance cover on behalf of the Directors and Company Secretary indemnifying them against certain liabilities which may be incurred by them in relation to the Group.

Future developments

The business is looking to leverage its expertise in rights and royalty's management into other adjacent vertical markets. The Group's first venture is into the music industry with its conChord product. If this proves successful, then other verticals will also be explored.

Strategic report

Disclosures have been made in relation to section 172 on page 14, Principal risks on page 15 and key performance indicators within the Financial review on page 12.

Going concern

The Directors have prepared the financial statements on the going concern basis. In assessing whether this assumption is appropriate, management have taken into account all relevant available information about the future including a revenue, profit and cash forecast, and management's ability to affect costs and revenues. Management regularly forecast profit, financial position and cash flows for the Group and a rolling forecast is updated monthly. Revenue is forecast in detail with all revenue items categorised as being contractual, variable fees, other or forecasted new sales. Management have reviewed forecast costs for reasonableness against prior years in light of known changes and have concluded that forecast costs are robust. Additionally, Management have modelled downside scenarios deemed to be reasonably possible to ensure the going concern assessment is robust. Further details on going concern are included within note 1 to the accounts (principal accounting policies).

Auditor

Grant Thornton UK LLP, offer themselves for re-appointment as auditor. A resolution to re-appoint Grant Thornton UK LLP will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board.

G S Winner
Director
24 June 2022

Corporate governance statement

The Board of Ingenta plc have adopted the Quoted Companies Alliance Corporate Governance Code (the QCA Code).

It is the Board's responsibility to ensure that the Ingenta Group is managed in the long-term interests of all shareholders and stakeholders in the business. The Board believes a strong and effective corporate governance culture is critical in this respect as we endeavour to grow a resilient and sustainable business for the benefit of our shareholders, customers, people and suppliers.

The QCA code is constructed around 10 broad principles which are detailed in full on the Company's website.

Strategy and business model

Ingenta seeks to solve the unique problems faced by information providers. We tailor our suite of industry-specific technology products to create robust solutions to manage our customers' IP, content and advertising requirements.

Our business model is to deliver profitable services enabling us to invest in the development of software solutions that help our customers manage and monetise their content. We generate revenue via professional service fees for implementing our solutions, providing ongoing licence, hosting and support services plus a range of ancillary consulting services. We then reinvest some of these profits into our products and the development of next generation solutions to ensure we have the required product capabilities to deliver revenue and profit into the future.

The Group financial review provides further information on the results of the business.

Risk management

The Board of Directors acknowledges its responsibility for the Group's system of risk management and internal control, including suitable monitoring procedures. There are inherent limitations in any system of risk management and internal control and accordingly, even the most effective system can provide only reasonable, and not absolute, assurance with respect to the preparation of financial information and the safeguarding of assets. The Group's control environment is the responsibility of the Group's Directors and managers at all levels.

The Directors and management have considered the risks facing the business with the key items discussed in the Group Risks and uncertainties section of the financial statements. These are assessed on an ongoing basis. Other risks which come under the direct control of the Directors include treasury management, capital expenditure, insurance, health and safety and regulatory compliance. Risk assessment includes the review of potential mitigations.

The Company has an established framework of internal controls covering the following areas:

- The Board reviews and approves company strategy and the associated annual budgets.
- Monthly management information packs are produced which report performance to the Board and management team. These include income statements, balance sheets and cash flows. Actual results are reported against budget, latest forecast and prior year with an updated forecast for the expected full year outcome.
- Any new business goes through a deal review meeting to determine expected profitability and identify any risks and how they can be mitigated in the contract. New contracts must be signed by a member of the Board and where material they are reviewed by the Company's advisors.
- A Company-wide timesheet system is in place to enable management to effectively monitor projects, both internal and external, and report on profitability throughout the duration of the work.
- A clear organisational structure with defined levels of authority and approval.
- Close supervision of the daily operations by the Executive Directors and management team.
- Central control over banking facilities with defined authority limits.
- The Audit Committee reviews the independent audit findings report each year to ensure compliance with financial reporting regulations and that its internal control procedures are being adhered to and remain effective.

The Group continues to review its internal controls and will be including further key performance indicators into the monthly reporting cycle to assist management and the Board in understanding the performance of the business. The Board considered the usefulness of appointing a dedicated legal counsel and internal audit function but decided in view of the size of the Group it was not effective to do so. This will be kept under review.

Further detail on the key risks faced by the business are set out in the Group risk and uncertainties section of the financial statements.

Management framework

Ultimate responsibility for corporate governance lies with the Chairman of the Board. At present the Board comprises the Non-Executive Chairman, three Non-Executive Directors and two Executive Directors. N W Kirton is deemed to be an independent Board member.

The Board is satisfied that it has the right mix of skills covering finance, investor relations, technology and industry experience to enable it to discharge its duties and responsibilities effectively and is supported by an Audit and a Remuneration Committee which meet separately through the year. Any conflicts of interest at Board level are reviewed regularly through the year and disclosed at the Board meeting as appropriate.

There are normally eleven Board meetings scheduled as standard through the year with further meetings set up as required. In the year to 31 December 2021 there were 11 Board meetings held with attendance records below:

Name	Attendance
G S Winner	11 out of 11
J R Sheffield	11 out of 11
M C Rose	11 out of 11
M A Rowse	11 out of 11
N W Kirton	11 out of 11
B H Holmström	6 out of 6
S J G White	11 out of 11

Each month the Board is supplied with a comprehensive management information pack covering financial performance for the month and forecast for the full year. The management team also provide an in-depth commentary on the divisional operations of the business to ensure the Board is kept abreast of the latest developments.

Board of Directors

Between them, the Board members provide skills in finance and reporting, public markets, investor relations, technology and the publishing industry. These skills are kept up to date via training courses and current on the job experience. The Company's Nomad strengthens the Board's professional development by providing guidance and updates on corporate governance and regulatory matters as required.

The Board composition is under regular review and has widened over recent years to include specialists in public markets and technology where the Board felt there was a need for additional expertise. All Directors can take independent professional advice in order that they can effectively carry out their duties and have access to the services of the Company secretary as required.

Each board member's biography is available on the Company's website and in the financial statements where it details their skills, experience and capabilities.

The Company secretary is responsible for guiding the Chairman and Board on their responsibilities and how those responsibilities should be discharged. This includes ensuring good information flows within the Board and its committees and also between senior management. Other responsibilities include shareholder relations, administration of the Company's records and ensuring compliance with legal and statutory requirements.

Board performance

The Chairman continually monitors performance of the Board at the regular board meetings. The Executive Director roles of Chief Executive Officer and Chief Financial Officer are clearly defined with performance targets relating to Revenue, EBITDA, Earnings per share and cash balances set each year. The Company's auditors provide an annual finding report which is used as a tool to identify any areas of improvement for the Board, and these are reviewed and acted upon as appropriate. Where further training requirements have been identified, the Company then ensures that these are carried out.

In terms of succession planning, the Board are encouraged to maintain dialogue regarding individual member's future plans to enable the Company to complete an orderly transition. The succession process involves a thorough review of potential internal and external candidates to ensure the best person is selected. While no formal nomination committee has been established, board and other senior management appointments are regularly considered at a board level.

Corporate culture

The Board and senior management expect everyone in the company to act in a responsible and ethical manner because the reputation of the business is key to our success. The company does not let cost concerns override its ethics and behaviour. For example, we only contract with offshore resourcing entities who commit to fair working practices. The Company is committed to minimising negative environmental impact in terms of energy usage at our offices, digitising our content and using responsible methods to dispose of electrical equipment.

The Company and staff are also active in the local community supporting charities and sponsoring good causes. Feedback from all stakeholders, as described in further detail on the Company's website, allow the Board to monitor the Company's culture, as well as the ethical values and behaviours within the business.

Remuneration Committee

The Remuneration Committee is composed of three Non-Executive Directors: M C Rose (Chairman), M A Rowse and N W Kirton. It is responsible for the terms, conditions and remuneration of the Executive Directors and senior management. The Remuneration Committee may consult external agencies when ascertaining market salaries. The Chairman of the Remuneration Committee will be available at the AGM to answer any shareholder questions.

Audit Committee

The Audit Committee is comprised of three Non-Executive Directors: M C Rose (Chairman), M A Rowse and N W Kirton. It monitors the adequacy of the Group's internal controls and provides the opportunity for the external auditor to communicate directly with the Non-Executive Directors.

The Audit Committee also ensures that the external auditor is independent via the segregation of audit related work from other accounting functions and non-audit related services provided and measures applicable fees with similar auditors. The Group only use the auditing firm for compliance and corporation tax related work when fees are competitive. Any significant project work would be awarded to an independent firm of accountants.

Relations with shareholders

The Group gives high priority to its communication with shareholders. This is achieved through the Group's website, correspondence and extensive corporate information. In addition, the Group visits its main institutional investors on an ongoing basis and makes available to all shareholders, free of charge, its Interim and Annual Reports online, from the Group's head office or via the Financial Times Annual Report Service. At the AGM the shareholders are given the opportunity to question members of the Board. The notice of the AGM is sent to shareholders at least 21 business days before the meeting.

Statement of Directors' responsibilities

The directors are responsible for preparing the Group Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the financial statements in accordance with UK adopted international accounting standards (IASs). 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 and profit or loss of the company and group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IASs as adopted by the UK have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board.

M C Rose
Chairman of the Audit Committee
24 June 2022

Directors' remuneration report

The AIM Rules for Companies require the disclosure of certain information regarding the remuneration earned by each director. The Remuneration Committee comprises M C Rose (Chairman), M A Rowse and N W Kirton who are Non-Executive Directors. The Remuneration Committee decides the remuneration policy that applies to Executive Directors and senior management. The Remuneration Committee meets regularly in order to consider and set the annual remuneration for the Executive Directors, having regard to personal performance and industry remuneration rates.

In determining that policy, it considers a number of factors including:

- the basic salaries and benefits available to Executive Directors of comparable companies,
- the need to attract and retain Directors of an appropriate calibre, and
- the need to ensure Directors' commitment to the success of the Group.

Non-Executive Directors are appointed on a contract with a three-month notice period and may be awarded fees in relation to the Board and committee meetings attended. Any fee awards to Non-Executive Directors are determined by the Board. Non-Executive Directors do not participate in the Company's share option scheme and do not receive the benefit of pension contributions.

The Group made contributions to externally administered defined contribution pension schemes for two Executive Directors.

The interests of the Directors at 31 December 2021 in the shares of the Company were as follows:

Name	Number of ordinary shares of 10p in Ingenta plc 31 December 2021	Number of ordinary shares of 10p in Ingenta plc 31 December 2020
M C Rose	4,645,412	4,645,412
M A Rowse	440,277	440,277
N W Kirton	44,250	44,250
S J G White	4,635,273	4,601,754
G S Winner	22,000	22,000
J R Sheffield	13,872	13,872

S J G White is a member of Kestrel Partners LLP

Directors' interests

The Directors at 31 December 2021 had an interest in 648,912 options over the ordinary shares. The Directors had no post-employment benefits, other long-term benefits, termination benefits or share-based payments in the year.

The market price of the Company's shares at the end of the year was 72.5p and the price ranged in the year between 63.5p and 85.0p.

Directors' remuneration

Name	Salary and fees £'000	Benefits £'000	Sums paid to a third-party for Directors' services £'000	Pension contribution £'000	Total remuneration £'000	Group National Insurance costs £'000	2021 Total cost of employment £'000	2020 Total remuneration £'000	2020 Total cost of employment £'000
G S Winner	251	13	-	4	268	18	286	216	228
J R Sheffield	120	-	-	64	184	15	199	156	171
M C Rose	36	-	48	-	84	4	88	84	88
M A Rowse	22	-	8	-	30	2	32	30	30
N W Kirton	30	-	-	-	30	3	33	30	33
S J G White	-	-	30	-	30	-	30	22	22
B H Holmström	-	-	22	-	22	-	22	30	30
M M E Royde	-	-	-	-	-	-	-	8	8
	459	13	108	68	648	42	690	576	610

M M E Royde resigned in 2020 and B H Holmström resigned in 2021.

On behalf of the Remuneration Committee.

M C Rose
Chairman
24 June 2022

Independent auditor’s report to the members of Ingenta plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Ingenta plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 December 2021, which comprise the Group statement of comprehensive income, the Group statement of financial position, the Group statement of changes in equity, the Group statement of cash flows, the Company statement of financial position, the Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2021 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 United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group’s and the parent company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor’s opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Our evaluation of the Directors’ assessment of the group’s and the parent company’s ability to continue to adopt the going concern basis of accounting included:

- obtaining management’s going concern assessment for the period to June 2023, which included a base case forecast, a sensitised forecast and a relative stress test, and obtaining an understanding of how these forecasts were compiled;
- testing the reliability of management’s forecasting by comparing the accuracy of the actual financial performance with forecast information obtained in the prior period;
- assessing the reasonableness of the assumptions used in management’s forecasts approved by the board;
- challenging the assumptions used within the going concern forecasts, such as the assumptions in respect of revenue, and considering whether they are consistent with other evidence obtained during the audit;
- performing sensitivity analysis on the key assumptions and estimates to determine the impact of reasonably possible movements; and
- assessing the adequacy of the going concern disclosures included within the strategic report and accounting policies for compliance with the requirements of IAS 1 ‘Presentation of financial statements’ (IAS 1).

In our evaluation of the Directors’ conclusions, we considered the inherent risks associated with the group’s and the parent company’s business model including effects arising from Covid-19 and the conflict in Ukraine, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the group’s and the parent company’s financial resources or ability to continue operations over the going concern period.

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 the parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

The responsibilities of the Directors with respect to going concern are described in the ‘Responsibilities of Directors for the financial statements’ section of this report.

Our approach to the audit

Overview of our audit approach

Overall materiality:
Group: £253,600, which represents approximately 2.5% of the group’s revenue.

Parent company: £247,300, which represents approximately 3% of the parent company’s net assets.

Key audit matters were identified as:

- The revenue cycle includes fraudulent transactions, same as previous year (occurrence of revenue); and
- Valuation of investments in subsidiary undertakings (parent company only), same as previous year (impairment of investments).

Our auditor’s report for the year ended 31 December 2020 included two key audit matters that have not been reported as key audit matters in our current year’s report. These relate to the impairment (valuation) of intangible assets and going concern (the risk of the going concern assumption being inappropriate). This is based on the improved performance of the group in the year and an increased understanding of how the group was impacted by Covid-19 resulting in these matters being determined as less significant in the context of the audit.

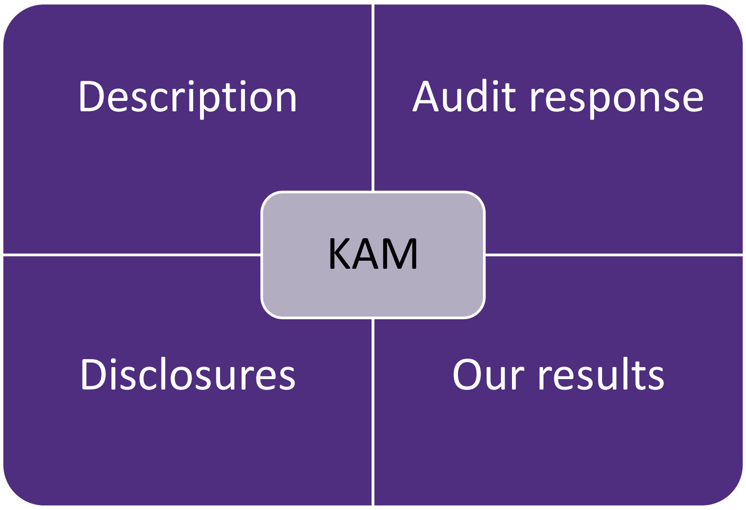
We have performed an audit of the financial information of the parent company, Ingenta plc, and of the financial information of Ingenta (UK) Limited and Vista International Limited using component materiality (‘full scope audit’).

We performed an audit of one or more account balances of the financial information of Ingenta Inc and PCG Inc (‘specific scope procedures’) and analytical procedures on the financial information of the other non-significant components.

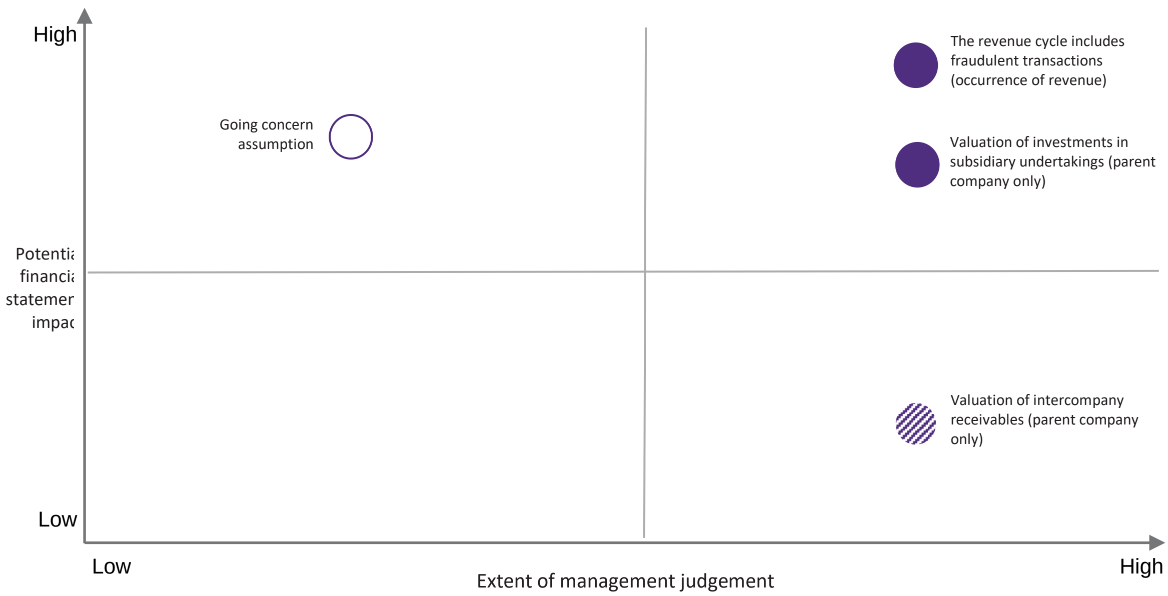
Our full scope and specific-scope audit procedures provided coverage of 100% of the group’s consolidated revenue and 100% of the group’s consolidated total assets.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters



In the graph below, we have presented the key audit matters, the other assertion level significant risk and the risk of the going concern assumption being inappropriate. We also identified a significant financial statement level risk due to management override of controls.



	Key audit matter		**Other assertion level significant risk**		**Going concern assumption**

Key Audit Matter - Group	How our scope addressed the matter – Group
The revenue cycle includes fraudulent transactions (occurrence of revenue) We identified the risk that the revenue cycle includes fraudulent transactions as one of the most significant assessed risks of material misstatement due to fraud. Under ISA (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a presumed risk that there are risks of fraud in recognition of revenue. Revenue is the most significant item in the group statement of comprehensive income and impacts several key performance indicators, and key strategic indicators, as set out in the Strategic Report. Group revenue of £10.1m has been recognised in the year ended 31 December 2021, arising substantially from the sales of services. The application of International Financial Reporting Standard (IFRS) 15 'Revenue from Contracts with Customers' is an area requiring judgement by management. We have determined that, due to pressure to meet market expectations, there is a significant risk that management may record revenue fictitiously or in advance of the criteria for revenue recognition being satisfied. For revenue recognised in relation to Managed Services, Hosting, Maintenance, Pay Per View (PPV), Third Party Software and Time-Based (provision of services and licenses over a period of time) the significant risk has been assigned to transactions which do not follow the standard pattern observed for revenue ('outliers') from these services as identified by our data analytics software. For revenue earned from Content, Implementation and Licenses we have assessed the significant risk of material misstatement over the full revenue population, where material to the group.	In responding to the key audit matter, we performed the following audit procedures: • obtaining an understanding of the relevant controls that management have implemented over the process for evaluating the occurrence of revenue; • assessing whether the accounting policies adopted by the Directors are in accordance with the requirements of IFRS 15, and whether management are accounting for revenue in accordance with the accounting policies; • performing analytical procedures through comparing revenue earned in the year to the prior year, corroborating management's explanation for significant or unusual variances outside of our expectation; • using data analytics software to determine 'outliers' in the revenue population and agreeing all 'outliers' identified to supporting documentation; • performing tests of controls over bank reconciliations to support the use of data analytics; • performing substantive testing across material revenue streams by agreeing a sample of transactions to supporting documentation and vouching that income has been appropriately recognised, including the reperformance of management's calculation of deferred and accrued income where the contract type indicate this is relevant; • obtaining an understanding of the identified manual journals posted to revenue to confirm revenue recognised was appropriate against supporting documentation and appropriate business rationale; and • obtaining an understanding of credit notes raised post year end and confirming that the associated revenue was appropriately recognised.
Relevant disclosures in the Annual Report and Accounts 2021 • Financial statements: Note 2, Revenue • Strategic report: Key performance indicators, page 12	**Our results** Based on our procedures performed, we have not identified any material misstatement relating to the occurrence of revenue.

Key Audit Matter – Parent company	How our scope addressed the matter – Parent company
Valuation of investments in subsidiary undertakings We identified the valuation of investments in subsidiary undertakings as one of the most significant assessed risks of material misstatement due to error. Investments in subsidiaries are carried at cost less necessary impairments and valued on an individual basis. The investments in subsidiaries are included within the company only statement of financial position of Ingenta plc and recorded at £3.3m. Management perform an annual assessment to determine whether there are indicators that the balances may be impaired. The determination of whether there are indicators of impairment under International Accounting Standard (IAS) 36 ‘Impairment of assets’ includes the consideration of internal and external factors such as changes in technology; below expected economic performance; and a consideration of the carrying amount of the investment compared with the subsidiaries’ assets.	In responding to the key audit matter, we performed the following audit procedures: • obtaining an understanding of the relevant controls that management has implemented over the process for evaluating the valuation of investments in subsidiaries; • obtaining and challenging management’s assessment of whether impairment indicators exist; • where indicators of potential impairment were noted, or where management have based their primary consideration of impairment indicators on an assessment of future economic performance, obtaining and challenging management’s impairment calculation, discounted cash flows, and key assumptions supporting the carrying value of investments in subsidiary undertakings: • performing a sensitivity analysis in respect of understanding how changes to the key assumptions impact on the level of headroom in management’s calculation; • considering management’s historic forecasts against actual results as part of other audit testing, to obtain an indicator of the reliability and reasonability of management’s forecasts; and • assessing the adequacy of the accounting disclosures made in the financial statements to determine compliance with the requirements of IAS 36.
Relevant disclosures in the Annual Report and Accounts 2021 • Parent Company Financial statements: Note 4, Investments	**Our results** Based on our procedures performed we have not identified any material misstatement relating to the valuation of investments in subsidiary undertakings.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

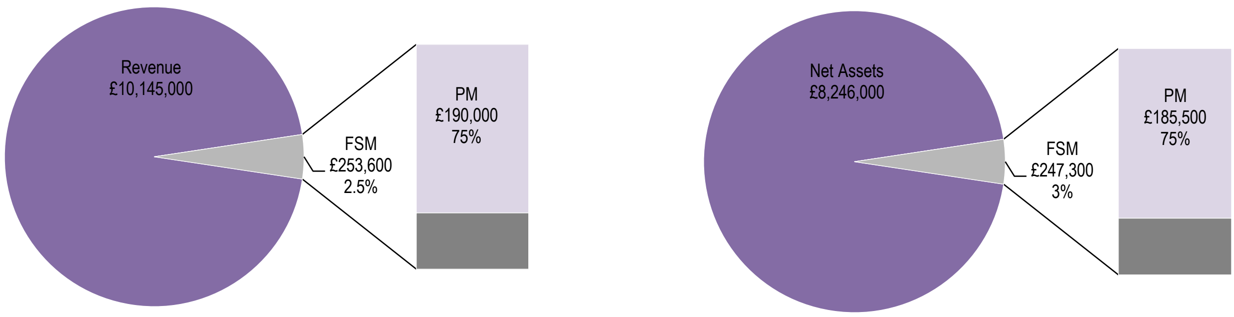
Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£253,600, which is approximately 2.5% of the group's revenue.	£247,300, which is approximately 3% of the parent company's net assets.
Significant judgements made by auditor in determining the materiality	In determining materiality, we made the following significant judgements: • Revenue is considered to be the most appropriate benchmark because there is volatility in profit before tax, along with revenue being a key performance metric for the group; Materiality for the current year is higher than the level that we determined for the year ended 31 December 2020 to reflect the more stable environment in which the group operates, and the lower assessed level of complexity in operations.	In determining materiality, we made the following significant judgements: • Net assets is considered to be the most appropriate benchmark based on the parent company being a holding company with the intention of realising its assets through the underlying performance of investments held. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2020 to reflect the more stable environment in which the entity operates, and the lower assessed level of complexity in operations.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£190,000, which is 75% of financial statement materiality.	£185,500, which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality for the group, we considered the following significant matters in forming our judgements: • whether there were any significant adjustments made to the financial statements in prior years; • whether there were any significant control deficiencies identified in prior years; • whether there were any significant changes in business objectives and strategy.	In determining performance materiality for the parent company, we considered the following significant matters in forming our judgements: • whether there were any significant adjustments made to the financial statements in prior years; • whether there were any significant control deficiencies identified in prior years; • whether there were any significant changes in business objectives and strategy.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • related party transactions outside of the normal course of the business.	We determined a lower level of specific materiality for the following areas: • Directors' remuneration; and • related party transactions outside of the normal course of the business.

Materiality measure	Group	Parent company
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£12,700 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£12,400 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group

Overall materiality – Parent company



FSM: Financial statements materiality, PM: Performance materiality

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's and the parent company's business and in particular matters related to:

Understanding the group, its components, and their environments, including group-wide controls

- Our audit approach was a risk-based approach founded on a thorough understanding of the group's and parent company's business, its environment and risk profile. The group's accounting process is primarily resourced through its central group finance function in the UK, with a local finance function in the US. The US local finance function reports into the central group finance function based at the group's head office in the UK. The engagement team obtained an understanding of the group and its environment, including group-wide controls, and assessed the risks of material misstatement at the group level.

Identifying significant components

- We determined the scope of the Group audit based on our understanding of the group structure, materiality and the relative contribution of revenue, profit before tax and total assets of each component to the group.
- We have performed a full scope audit of the financial information using component materiality for the parent company, Ingenta plc, and of the financial information of Ingenta (UK) Limited, which were considered to be significant components. Other components were not considered to be significant components within the scope of our audit.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- We identified the risk of fraud in the revenue cycle (occurrence of revenue) and the valuation of investments in subsidiary undertakings (parent company only) as the key audit matters and a description of the procedures performed in respect of these have been included in the key audit matters section of our report.
- Based on our assessment of the group as above, we focused our group audit scope primarily on the components assessed as significant, performing a full scope audit on these components. We also performed a full scope audit on the financial information of Vista International Limited.
- We performed an audit of one or more account balances of the financial information of Ingenta Inc and PCG Inc ('specific scope procedures').
- At group level, we also tested the consolidation process and carried out analytical procedures on the financial information of the other non-significant components to confirm our conclusion that there were no significant risks of material misstatement to the group financial statements arising from those remaining components.

Performance of our audit

- The group engagement team was unable to visit any of the locations due to travel restrictions imposed and a lack of physical presence, and therefore the audit procedures were performed remotely.
- Our full-scope and specific scope audit procedures provided coverage of 100% of the group's consolidated revenue and 100% of the group's consolidated total assets.
- No separate component auditors were used, with the group engagement team undertaking all audit work to support the group audit opinion.

Audit approach	No. of components	% coverage Total assets	% coverage Revenue
Full-scope audit	3	86%	77%
Specific-scope procedures	2	14%	23%
Analytical procedures	11	0%	0%

Changes in approach from previous period

The scope of the current year audit was similar to that in the prior year other than the changes resulting from having two fewer key audit matters this year, as discussed above.

Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

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 for the financial statements

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.

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

Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent company and the group and sector in which they operate through our commercial and sector experience, making enquiries of management and those charged with governance; and inspection of the parent company's and the group's key external correspondence. We corroborated our enquiries through our inspection of board minutes and other information obtained during the course of the audit.
- Through the understanding that we obtained, we determined the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks, including United Kingdom Generally Accepted Accounting Practice (the parent company), UK-adopted international accounting standards (the group); AIM Rules for Companies; the Companies Act 2006 and the relevant taxation regulations in the jurisdictions in which the parent company and group operates.
- We assessed the susceptibility of the parent company's and the group's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to the estimation and judgemental areas with a risk of fraud, including potential management bias, of revenue occurrence and through management override of controls.
- Our audit procedures included:
  - Gaining an understanding of the controls that management has in place to prevent and detect fraud;
  - Journal entry testing, with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business;
  - Gaining an understanding of and testing significant identified related party transactions; and
  - Performing audit procedures to consider the compliance of disclosures in the financial statements with the applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the parent company and the group operates; and
  - Understanding of the legal and regulatory requirements specific to the parent company and the group including; the provisions of the applicable legislation, the regulators rules and the applicable statutory provisions.
- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the estimation and judgemental areas with a risk of fraud, including potential management bias, of revenue occurrence and through management override of controls in the preparation of the financial statements.

Use of our report

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

Paul Holland BSc BFP FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford
24 June 2022

Group statement of comprehensive income

	note	Year ended 31 Dec 21 £'000	Restated Year ended 31 Dec 20 £'000
Group revenue	2	10,145	10,177
Cost of sales		(5,487)	(5,741)
Gross profit		4,658	4,436
Sales and marketing expenses		(690)	(671)
Administrative expenses		(3,214)	(3,301)
Profit from operations	5	754	464
Finance costs	7	(27)	(22)
Profit before income tax		727	442
Income tax	8	1,074	7
Profit for the year attributable to equity holders of the parent		1,801	449
Other comprehensive expenses which will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		56	(137)
Total comprehensive profit for the year attributable to equity holders of the parent		1,857	312
Basic profit per share (pence)	9	10.93	2.67
Diluted profit per share (pence)	9	10.50	2.56

See note 28 for further details on the prior period adjustment

All activities are classified as continuing.

The accompanying notes form part of these financial statements.

Group statement of financial position

	note	31 Dec 21 £'000	Restated 31 Dec 20 £'000	Restated 1 Jan 20 £'000
Non-current assets				
Goodwill	10	2,661	2,661	2,661
Other intangible assets	11	-	58	158
Property, plant and equipment	12	665	1,119	473
Deferred tax asset	19	1,163	-	-
		4,489	3,838	3,292
Current assets				
Trade and other receivables	13	1,810	2,226	3,219
Cash and cash equivalents	15	3,006	2,323	2,600
		4,816	4,549	5,819
Total assets		9,305	8,387	9,111
Equity				
Share capital	21	1,692	1,692	1,692
Merger reserve		11,055	11,055	11,055
Reverse acquisition reserve		(5,228)	(5,228)	(5,228)
Share option reserve		88	61	23
Translation reserve		(605)	(661)	(524)
Retained earnings		(2,278)	(3,353)	(3,487)
Total equity		4,724	3,566	3,531
Non-current liabilities				
Deferred tax liability	19	88	12	32
Leases	20	192	430	206
		280	442	238
Current liabilities				
Trade and other payables	16	1,991	2,061	2,459
Deferred income		2,310	2,318	2,883
		4,301	4,379	5,342
Total liabilities		4,581	4,821	5,580
Total equity and liabilities		9,305	8,387	9,111

See note 28 for further details on the prior period adjustment

The financial statements were approved by the Board of Directors and authorised for issue on 24 June 2022 and were signed on its behalf by:

J R Sheffield
Director

G S Winner
Director

Registered number: 00837205
The accompanying notes form part of these financial statements.

Group statement of changes in equity

For the year ended 31 December 2021

	Share capital £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Translation reserve £'000	Retained earnings £'000	Share option reserve £'000	Total attributable to owners of parent £'000
At 1 January 2021 on prior basis	1,692	11,055	(5,228)	(839)	(3,175)	61	3,566
Impact of restatement (note 28)	-	-	-	178	(178)	-	-
Restated balance at 1 January 2021	1,692	11,055	(5,228)	(661)	(3,353)	61	3,566
Dividends paid	-	-	-	-	(410)	-	(410)
Shares bought back into treasury	-	-	-	-	(316)	-	(316)
Share options granted in the year	-	-	-	-	-	27	27
Transactions with owners	-	-	-	-	(726)	27	(699)
Profit for the year	-	-	-	-	1,801	-	1,801
Foreign exchange differences on translation foreign operations	-	-	-	56	-	-	56
Total comprehensive income for the year	-	-	-	56	1,801	-	1,857
Balance at 31 December 2021	1,692	11,055	(5,228)	(605)	(2,278)	88	4,724

For the year ended 31 December 2020

	Share capital £'000	Merger reserve £'000	Reverse acquisition reserve £'000	Translation reserve £'000	Retained earnings £'000	Share option reserve £'000	Total attributable to owners of parent £'000
At 1 January 2020 on prior basis	1,692	11,055	(5,228)	(880)	(3,131)	23	3,531
Impact of restatement (note 28)	-	-	-	356	(356)	-	-
Restated balance at 1 January 2020	1,692	11,055	(5,228)	(524)	(3,487)	23	3,531
Dividends paid	-	-	-	-	(252)	-	(252)
Shares bought back into treasury	-	-	-	-	(63)	-	(63)
Share options granted in the year	-	-	-	-	-	38	38
Transactions with owners	-	-	-	-	(315)	38	(277)
Profit for the year	-	-	-	-	449	-	449
Foreign exchange differences on translation foreign operations	-	-	-	(137)	-	-	(137)
Total comprehensive expense for the year	-	-	-	(137)	449	-	312
Restated balance at 31 December 2020	1,692	11,055	(5,228)	(661)	(3,353)	61	3,566

Group statement of cash flows

	note	Year ended 31 Dec 21 £'000	Restated Year ended 31 Dec 20 £'000
Profit before taxation		727	442
Adjustments for			
Depreciation and amortisation		632	439
Profit on disposal of fixed assets		-	(2)
Interest expense		27	22
Unrealised foreign exchange differences		56	(137)
Share based payment charge		27	39
Decrease in trade and other receivables		416	954
Increase / (decrease) in trade and other payables and deferred income		131	(953)
Cash inflow from operations		2,016	804
Tax paid		(13)	(13)
Net cash inflow from operating activities		2,003	791
Cash flow from investing activities			
Purchase of property, plant and equipment		(119)	(200)
Net cash used in investing activities		(119)	(200)
Cash flows from financing activities			
Interest paid		(21)	(5)
Payment of lease liabilities		(453)	(550)
Dividend paid		(410)	(252)
Costs of buy back of shares into treasury		(316)	(63)
Net cash used in financing activities		(1,200)	(870)
Net increase / (decrease) in cash and cash equivalents		684	(279)
Cash and cash equivalents at the beginning of the year	15	2,323	2,600
Exchange difference on cash and cash equivalents		(1)	2
Cash and cash equivalents at the end of the year	15, 23	3,006	2,323

See note 28 for further details on the prior period adjustment

The accompanying notes form part of these financial statements.

Notes to the Group financial statements

For the year ended 31 December 2021

General information and nature of operations

Ingenta plc (the 'Company') and its subsidiaries (together the 'Group') is a provider of content management, advertising and Commercial enterprise solutions and services to publishers, information providers, academic libraries and institutions. The nature of the Group's operations and its principal activities are set out in the Chairman's statement and Group Strategic report.

The Company is incorporated in the United Kingdom under the Companies Act 2006. The Company's registration number is 00837205 and its registered office is Suite 2, Whichford House, Parkway Court, John Smith Drive, Oxford, OX4 2JY. The consolidated financial statements were authorised by the Board of Directors for issue on 24 June 2022.

1. Principal accounting policies

New Standards adopted as at 1 January 2021

There are no IASs that are not yet effective that would be expected to have a material impact on the Group.

Going concern

The accounts are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have taken into account all relevant available information about the future including revenue, profit and cash forecast and management's ability to affect costs and revenues.

Management regularly forecast profit, financial position and cash flows for the Group. The rolling annual forecast is normally updated monthly.

Having reviewed the latest forecast to the end of June 2023, management regard the forecast to be robust. Revenue streams are forecast in detail with all items categorised as being contractual, variable fees, other or forecasted new sales. As part of the review, management stress tested the forecast model for alternative potential scenarios including the loss of key contracts and the impact of making no new sales. Management believes these risks can be managed and do not impact on the going concern assessment.

Management have reviewed forecast costs for reasonableness against prior years and with knowledge of expected movements and concluded that forecast costs are robust.

As at 31 December 2021 the Group had net current assets of £0.5m (2020: £0.2m), of which £2.3m (2020: £2.3m) relates to deferred income which will be recognised in the year ending 31 December 2022.

The Group has positive cash balances of £3.0m as at 31 December 2021 (2020: £2.3m). Management have assured themselves that cash is sufficient for the needs of the business based on the cash flow forecast.

The major risks for future trading are the uptake of new generation products within the Ingenta Content and the Commercial product suite, which to some extent is reliant on the macro-economy and the willingness of data providers to commit to capital expenditure projects.

COVID remains a risk factor although the Group has well established operating procedures designed to limit the impact of future outbreaks on the businesses ability to serve its customers. These include fully remote working capabilities for all employees along with a resilient internal business infrastructure.

The Group have modelled various downside scenarios and consider it appropriate to use the going concern basis to compile these financial statements.

Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

The accounting policies applied have been applied consistently throughout the Ingenta Group. The financial statements have been prepared under the historical cost convention.

Statement of compliance

The consolidated financial statements have been prepared in accordance with UK adopted international accounting standards ("IASs") in conformity with the requirements of the Companies Act 2006, the International Financial Reporting Interpretations Committee ("IFRIC"), interpretations issued by the International Accounting Standards Boards ("IASB") that are effective or issued and adopted as at the time of preparing these financial statements, and in accordance with the provisions of the Companies Act 2006 that are relevant to companies that report under UK adopted IASs.

Significant accounting estimates and judgements

When preparing the financial statements management make estimates, judgements and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Consulting service revenue

Please refer to the Revenue section of the accounting policies note for detailed disclosure. The area where significant management judgement is applied is in estimating project percentage complete assessments for any fixed price elements of work.

Deferred tax assets

The assessment of the probability of future taxable income against which deferred tax assets can be utilised is based on the Group's latest approved forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties are assessed individually by management based on the specific facts and circumstances.

Research and development expenditure

Research and development expenditure is fully written off to the Group Statement of Comprehensive Income as costs are incurred. The Board have taken into account the inherent risks in all research and development expenditure and specifically the expenditure being incurred by the business in the year and have concluded that the requirements of IAS 38 to capitalise development expenditure have not been met.

Basis of consolidation

The Group financial statements consolidate those of the parent Company and all of its subsidiaries as of 31 December 2021. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. The acquisition cost is calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer and excludes any transaction costs. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Investments in Joint Ventures are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill or fair value adjustment attributable to the Group's share in the Joint Venture is not recognised separately and is included in the amount recognised as investment in Joint Ventures. The carrying amount of the investment in Joint Ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the Joint Venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Share options

The Group operates an unapproved Executive Management Incentive (EMI) Share Option plan. £27K (2020: £38K) has been recognised during the year as a change in the fair value of the options. Full details are in note 22.

Property, plant and equipment

Cost

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment.

Depreciation

Depreciation is calculated using the straight - line method to allocate the cost of assets less their estimated residual value over their estimated useful lives, as follows:

Leasehold improvements	Over the term of the lease
Computer equipment	3 years
Fixtures, fittings and equipment	5 years

The residual value and the useful life of each asset are reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) are accounted for as a change in an accounting estimate.

Disposal of assets

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised within profit or loss within the Group Statement of Comprehensive Income.

Intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses are recognised immediately in the income statement and are not subsequently reversed.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date and at least annually thereafter.

On disposal of a subsidiary, the attributable net book value of goodwill is included in the determination of the profit or loss on disposal.

Technology based intellectual property

Intangible assets relating to the technology acquired from business combinations that qualify for separate recognition are recognised as intangible assets at their fair value. The assets are valued using a discounted cash flow model for the revenues they will generate over the next 5 years.

The asset is amortised on a straight-line basis over a 5 year period. Residual values and useful lives are reviewed at each reporting date. Amortisation is included within depreciation, amortisation and impairment of non-financial assets.

Impairment of intangibles and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related goodwill.

Goodwill, other individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described herein.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified as at amortised cost. In the periods presented the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:
- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Trade receivables

Trade receivables are recognised initially at transaction price in accordance with IFRS 15 and subsequently reviewed for expected credit losses in line with IFRS 9. In measuring the expected credit losses, the trade receivables have been assessed on an individual basis. Where trade receivables were found to be individually impaired an allowance for credit losses has been recorded within “sales and marketing” in the Group Statement of Comprehensive Income. This allowance has been determined by reference to expected receipts after considering historical experience, readily available external indicators and forward-looking information. Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 6 months from the invoice date, failure to engage with the Group on alternative future payment arrangements and bankruptcy or administration of the customer are indicators of a potential expected credit loss. The Group has a stable customer base with strong relationships built up over time allowing it to make reasonable assessments of recoverability. Most trade receivables relate to customers ongoing ability to function and past experience indicates the balances are recoverable subject to any future information that becomes available. Where an expected credit loss is recognised it will be significantly influenced by additional forward-looking information such as industry discussion papers, repayment plan reasonableness and direct account management negotiation. When a trade receivable is uncollectible, it is written off against the credit loss provision. Subsequent recoveries of amounts previously provided for are credited against ‘Sales and marketing expenses’ in the Group Statement of Comprehensive Income.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are either designated in this category or are not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date.

On initial recognition, financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial assets. After initial recognition, financial assets are measured at fair value, without any deduction of transaction costs.

Gains and losses arising from changes in the fair value of a financial asset are recognised in other comprehensive income, except for impairment losses. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are reclassified from equity to profit or loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models making maximum use of market inputs and relying as little as possible on entity specific inputs.

Financial liabilities

The Group's financial liabilities include borrowing and trade and other payables.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised within profit or loss within the Group Statement of Comprehensive Income over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits together with other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents include bank overdrafts as they are repayable on demand and form an integral part of the Group's cash management. The Group's banking facility is all with one bank (HSBC Bank plc) and the accounts are linked such that any facility limit is based on the net balance of all accounts.

Equity

Share capital represents the nominal value of shares that have been issued.

The translation reserve within equity relates to foreign currency translation differences arising on the translation of the Group's foreign entities.

Retained earnings include all current and prior year retained profits and losses.

Reverse acquisition reserve and merger reserve represent balances arising on the acquisition of Ingenta plc in 2007. The IFRS 3 acquisition adjustment reflects the entries required under reverse acquisition accounting, whereby consolidated shareholders' funds comprise the capital structure of the legal parent combined with the reserves of the legal subsidiary and the post-acquisition reserves of the parent.

The share option reserve relates to a cumulative charge made in respect of share options granted by the Company to the Group's employees under its employee share option plans.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transactions costs and the related income tax effect, is included in equity attributable to the Company's equity holders.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value added tax, returns, rebates and discounts after eliminating sales within the Group.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's products and services, for example for the delivery of licences, consulting services, hosting services, managed services and support and upgrade services.

These services and performance obligations are separately identifiable and contracted for allowing a reasonable allocation of price to each component.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.
Where certain products are sold as multi element arrangements, the Group evaluates the separability of the goods or services based on whether they are distinct. A good or service is distinct if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Group does not provide a significant service integrating, modifying or customising it).

Recognition of Ingenta Connect Revenue (within the Content products division):

Ingenta Connect revenues comprise 'Hosted services' and 'Consulting Services' revenue.

Hosted services:

Hosted services include annual fees for hosting publishers' content on the Ingenta Connect platform and revenues from document delivery under pay-per-view access, clearance and digitisation services.

Hosting revenue is recognised over time with reference to the contracted period. The performance obligation of hosting customers content on servers does not materially change over time and is recognised evenly over the contract period.

Pay per view revenue is recognised at a point in time when the documents are delivered to a customer. The performance obligation is to deliver content to an end user and facilitate a transfer of money for the purchase.

Consulting Services:

Consulting services includes revenues from the processing of e-journal content and ongoing services.

The consulting fees are based on a per article charge and are recognised at a point in time when the article is processed. The performance obligation is to convert a specified piece of content into a format suitable for ingestion onto the Ingenta Connect platform.

Recognition of Ingenta Commercial products, Ingenta Edify (within the Content products division), and Ingenta Advertising:

Revenues from these divisions comprise 'Licences', 'Consulting Services', Hosted Services', 'Managed Services' and 'Support and Upgrade' revenue.

Licences:

Licences can be sold as perpetual or under a software as a service (SaaS) agreement.

Perpetual software licence revenues are recognised at a point in time if there are no associated implementation requirements. This will only be the case where an existing customer purchases additional licences to increase the number of users on an existing installed software system.

Where perpetual software licences require consulting services to make the licences usable, the licence revenue is linked to the consulting services and is recognised over the period of the associated consulting services on a percentage complete basis. The software is deployed immediately onto the customer network and consulting services are used to perform integration work which enhances the software's functionality. The customer has benefit from the software over the implementation and gains increased benefit as the functionality extends. The percentage complete assessment is made by reference to the estimated project days in the project planning documentation, amended for project change requests and the days worked on the project to the year end.

For SaaS licence arrangements, licences are deemed to be a right to access and revenue is recognised over time and taken in equal instalments over the period of the contract from the point the software is functional.

Consulting Services:

Revenue recognition from long term contracts within consulting services depends on the contractual terms.

Fixed price consulting contracts are recognised over time on the percentage of completion method. This is assessed by reference to the estimated project days in the project planning documentation, amended for project change requests and the days worked on the project to the year end. The performance obligation is to provide man time to deliver a specified level of functionality within the software. The customer has access to the software throughout the consulting phase and gets benefit from the consulting work as functionality is expanded over time.

Other consulting services contracts are on a time and materials basis and revenue is recognised over time as work is performed. The amount of revenue is calculated by the number of days worked at the contracted day rate. As under a fixed price contract, the customer has access to the software during the implementation phase and gets benefit from the consulting services as functionality is expanded over time.

Consulting services for a software implementation normally last for less than 12 months and payment terms are always in instalments during the period. As such, the Group does not adjust the receivable amounts for the effects of financing.

Hosted Services, Managed Services and Support and Upgrade:

Revenues collected or billed in advance for hosted services, managed services and support and upgrade revenue are recorded as deferred income and recognised evenly over the period to which the service relates. In all cases, the performance obligation is to provide a service evenly over a contracted period of time.

Recognition of PCG Revenues:

Ingenta's PCG division earns revenue from providing services to Publishers and Content providers. Some revenue is charged as a retainer for services provided throughout the period. These revenues are recognised over time as the performance obligation is to provide a dedicated sales representative over a contracted period.

Some revenues are earned on a commission basis associated with selling publishers' content. This revenue is recognised at a point in time when commission is earned which contractually is when PCG's publishing customer invoices the end user for the services sold by PCG. In some cases, PCG invoices the end user on behalf of the customer for the services sold by PCG and records PCG's commission when the invoice is issued as agreed in the contract. Where any sales representation and cash collection services are incorporated into the contract the work involved is minimal and does not affect recognition of commission.

Some further revenues are based on performing surveys for publishers. These revenues are based on a fixed number of calls at an agreed rate per call. Revenue is recognised at a point in time on a per call completed basis in the period the calls were made.

Employee benefits

Pension obligations

The Group operates various pension schemes which are by nature defined contribution plans. A defined contribution plan is a pension plan under which the Group pays a fixed contribution into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group does not operate a defined benefit plan.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expenses when they are due.

Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

Leased assets

The Group as a lessee

For any contracts entered into the Group considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Operating expenses

Operating expenses are recognised within profit or loss within the Group Statement of Comprehensive Income upon utilisation of the service or at the date of their origin.

Finance costs

Financing costs comprise interest payable, the amortisation of the costs of acquiring finance and the unwinding of discounts that are recognised within profit or loss within the Group Statement of Comprehensive Income. Interest payable is recognised in the Group Statement of Comprehensive Income as it accrues, using the effective interest method.

Income taxes

The tax expense recognised within profit or loss within the Group Statement of Comprehensive Income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with shares in subsidiaries and Joint Ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third-party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities are recognised in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

Foreign currency

The consolidated financial statements are presented in Sterling (GBP), which is also the functional currency of the parent Company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using a monthly estimated rate set at the beginning of each month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and not subsequently retranslated.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Sterling are translated into Sterling upon consolidation. The functional currencies of the entities in the Group have remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into Sterling at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at an approximation of the average rate over the reporting period.

Exchange differences are recognised in the Consolidated Income Statement in the period in which they arise.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are charged / credited to other comprehensive income and recognised within equity in the translation reserve.

On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Sterling at the closing rate.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Executive Board, at which level strategic decisions are made.

IFRS 8 “Operating segments” requires a ‘management approach’, under which segment information is presented on the same basis as that used for internal reporting purposes and reported in a manner which is more consistent with internal reporting provided to the chief operating decision-maker.

2. Revenue

An analysis of the Group's revenue is detailed below by activity across the Group's operating units:

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Licences	45	240
Consulting Services	1,319	1,367
Hosted Services	3,627	3,702
Managed Services	2,811	2,317
Support and upgrade	2,069	2,170
PCG	274	381
	10,145	10,177

An analysis of the Group's revenue by business division is as follows:

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Commercial product division	6,658	6,636
Content products division	2,409	2,337
PCG	274	382
Advertising	804	822
	10,145	10,177

A geographical analysis of the Group's revenue is as follows:

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
UK	5,490	5,258
USA	3,374	3,705
Netherlands	383	315
France	282	176
Rest of the World	616	723
	10,145	10,177

Revenue is allocated to geographical locations based on the location of the customer. All business divisions are active in each of the geographic areas.

An analysis of the timing of revenue recognition is shown as follows:

	Commercial Products	Content Products	PCG	Advertising	Year ended 31 Dec 21 £'000
Revenue transferred over time	5,940	1,741	-	635	8,316
Revenue transferred at a point in time	718	668	274	169	1,829
	6,658	2,409	274	804	10,145

	Commercial Products	Content Products	PCG	Advertising	Year ended 31 Dec 20 £'000
Revenue transferred over time	5,351	1,915	-	688	7,954
Revenue transferred at a point in time	1,285	422	382	134	2,223
	6,636	2,337	382	822	10,177

The following aggregated amounts of transaction prices relate to performance obligations from existing contracts that are unsatisfied or partially unsatisfied as at 31 December 2021:

	Year ended 31 Dec 22 £'000	Year ended 31 Dec 23 £'000
Revenue expected to be recognised	2,310	-

3. Joint Venture / Investment

The Group holds a 49% voting and equity interest in Beijing Ingenta Digital Publishing Technology Limited (BIDPT) which was purchased during the year to 31 December 2012.

BIDPT has a reporting date of 31 December. The shares are not publicly listed on a stock exchange and hence published price quotes are not available. Dividends are subject to the approval of at least 51% of all shareholders of BIDPT. The Group has received no dividends.

In the 2017 financial statements, the Group outlined it has been actively engaged in discussions to sell or dispose of its shareholding in the Chinese Joint Venture and had reclassified it as an asset held for sale. The Board does not believe a deal is imminent and in 2018 reclassified the Group's holding in the Joint Venture as an investment. Given the inherent uncertainty around valuing a Chinese non-listed, minority shareholding combined with flat earnings and an increasingly uncertain mechanism to repatriate funds, the Group fully impaired the investment. The Group's strategy going forward is to concentrate on its core product set and given the lack of control it exerts over the Joint Venture; it does not consolidate results into the Group.

4. Operating segments

The following segment information has been prepared in accordance with IFRS 8, "Operating Segments", which defines the requirements for the disclosure of financial information of an entity's operating segments. IFRS 8 follows the management approach, which is the basis for decision making within the Group.

The Board consider the Group on a business division basis. Reports by business division are used by the chief decision-maker in the Group. Significant operating segments are: Ingenta Commercial products; Ingenta Content products; PCG and Ingenta Advertising. This split of business segments is based on the products and services each offer. The segmental analysis is under review given the business is changing its operating model away from a product siloed structure and is beginning to blend its offerings together making them less discrete.

Ingenta Commercial products are enterprise level publishing management systems. Ingenta Content products help content providers sell their content online. PCG provides consultancy services in sales and marketing to publishers. Ingenta Advertising provides a complete browser-based multimedia advertising, CRM and sales management platform for content providers.

The reported operating segments derive their revenues from the revenue streams reported in the revenue analysis in note 2. A further discussion of revenue streams within each division is included on pages 4 to 9. All revenues are derived from trade with external parties.

Property, plant and equipment held in the UK totals £602K (2020: £942K) and the USA £42K (2020: £55K).

Two customers each contributed more than 10% of revenue (2020: two) and this amounted to £3,819K (2020: £3,364K). The Group's operations are located in the United Kingdom, North America, Brazil, Mexico, India, China and Australia. Any transactions between business divisions are on normal commercial terms and conditions.

Segment information by business unit is presented below.

Year to 31 December 2021	Commercial products £'000	Content products £'000	PCG £'000	Advertising £'000	Consolidated £'000
External sales	6,658	2,409	274	804	10,145
Segment result (adjusted EBITDA, see note 5)	775	521	(88)	244	1,452
Depreciation and amortisation	(425)	(154)	(2)	(51)	(632)
Unallocated corporate expense					-
Restructuring & exceptional costs					(5)
Foreign exchange gain					(61)
Impairment of intangibles & investments					-
Operating profit					754
Finance costs					(27)
Profit before tax					727
Tax					1,074
Profit after tax					1,801

Other information	Commercial products £'000	Content products £'000	PCG £'000	Advertising £'000	Consolidated £'000
Statement of Financial Position					
Assets					
Attributable Goodwill and intangibles	-	2,661	-	-	2,661
Property, plant and equipment	396	181	5	83	665
Segment assets	2,851	1,306	65	594	4,816
Unallocated corporate assets					1,163
Consolidated total assets					9,305
Liabilities					
Segment liabilities	2,683	1,231	108	559	4,581
Unallocated corporate liabilities					1
Consolidated total liabilities					4,582
Total equity and liabilities					9,305

Restated year to 31 December 2020	Commercial products £'000	Content products £'000	PCG £'000	Advertising £'000	Consolidated £'000
External sales	6,636	2,337	381	823	10,177
Segment result (adjusted EBITDA, see note 5)	847	322	(156)	197	1,210
Depreciation and amortisation	(296)	(104)	(2)	(37)	(439)
Unallocated corporate expense					2
Restructuring					(447)
Foreign exchange gain					138
Impairment of intangibles & investments					-
Operating profit					464
Finance costs					(22)
Profit before tax					442
Tax					7
Profit after tax					449

Other information	Commercial products £'000	Content products £'000	PCG £'000	Advertising £'000	Consolidated £'000
Statement of Financial Position					
Assets					
Attributable Goodwill and intangibles	-	2,661	-	58	2,719
Property, plant and equipment	669	307	4	139	1,119
Segment assets	2,687	1,232	70	560	4,549
Unallocated corporate assets					-
Consolidated total assets					8,387
Liabilities					
Segment liabilities	2,827	1,296	109	589	4,821
Unallocated corporate liabilities					-
Consolidated total liabilities					4,821
Total equity and liabilities					8,387

Refer to note 10 and 11 for the estimates used in valuation of cash generating units.

In 2020 & 2021 there were no bank overdrafts. Social security and other taxation liabilities have been allocated to the relevant segments of the business.

5. Profit from operations

Profit from operations has been arrived at after charging:

	Year ended 31 Dec 21 £'000	Restated Year ended 31 Dec 20 £'000
Research and development costs	1,009	1,409
Net foreign exchange (gain) / loss	61	(138)
Depreciation of property, plant and equipment:		
- owned assets	179	110
- leasehold property	133	122
- assets under leases	262	107
Amortisation	58	100
Auditor's remuneration	86	83
Exceptional non-recurring costs	5	447

An analysis of expenses by type within the statement of comprehensive income is as follows:

	Cost of sales £'000	Sales and marketing £'000	Administration £'000	Year ended 31 Dec 21 £'000
IT and software costs	821	-	412	1,233
Staff costs (note 6)	3,583	628	1,323	5,534
Contractors	751	20	112	883
Other HR costs	-	-	93	93
Premises costs	-	-	183	183
Insurance costs	-	-	83	83
Legal and professional fees	6	2	276	284
Provisions	330	-	-	330
Depreciation	-	-	631	631
Foreign exchange	-	-	61	61
Other	(4)	40	40	76
	5,487	690	3,214	9,391

	Cost of sales £'000	Sales and marketing £'000	Administration £'000	Restated Year ended 31 Dec 20 £'000
IT and software costs	822	-	379	1,201
Staff costs (note 6)	4,000	576	1,400	5,976
Contractors	756	33	142	931
Other HR costs	-	-	116	116
Premises costs	-	-	196	196
Insurance costs	-	-	54	54
Legal and professional fees	-	-	266	266
Restructuring	-	-	447	447
Bad debt	94	-	-	94
Depreciation	-	-	439	439
Foreign exchange	-	-	(138)	(138)
Other	69	62	-	131
	5,741	671	3,301	9,713

A more detailed analysis of auditor's remuneration on a worldwide basis is provided below.

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Fees payable to the Group's auditor for:		
Fees payable to the company's auditor for the audit of the company's annual accounts	20	20
Fees payable to the company's auditor and its associates for other services:		
Audit of the accounts of subsidiaries	54	51
Other assurance services	-	-
Tax compliance services	12	12
	86	83

A description of the work of the Audit Committee is set out in the corporate governance statement on pages 19 to 21 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditor.

An analysis reconciling the profit from operations to adjusted EBITDA is provided below.

	Year ended 31 Dec 21 £'000	Restated Year ended 31 Dec 20 £'000
Profit from operations	754	464
Add back:		
Depreciation and amortisation	632	439
Impairment of intangibles & investments	-	-
Gain on disposal of fixed assets	-	(2)
Exceptional non-recurring costs	5	447
Foreign exchange loss / (gain)	61	(138)
EBITDA before impairment, gain / loss on disposal of fixed assets, foreign exchange gain / loss and exceptional non-recurring costs	1,452	1,210

Exceptional non-recurring costs include restructuring costs, premises exit costs, non-recurring professional fees and debt write offs.

6. Staff numbers and costs

	Year ended 31 Dec 21 Average number	Year ended 31 Dec 20 Average number
Staff numbers:		
Operations	59	59
Sales and marketing	15	15
Administration	6	7
	80	81

Staff numbers exclude contractors

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Their aggregate remuneration comprised:		
Wages and salaries	4,629	4,987
Social security costs	519	539
Contribution to defined contribution plans	246	254
Health insurance	102	146
Share based payments	27	39
Other staff costs	11	11
Total staff costs	5,534	5,976
Remuneration in respect of Directors was as follows:		
Non-Executive	196	204
Executive Directors' emoluments	384	332
Company pension contributions to money purchase schemes	68	40
	648	576
Remuneration of the highest paid Director (aggregate emoluments):		
Salaries	251	200
Other Benefits	13	12
Contribution to defined contribution plans	4	4
	268	216

Further unaudited information on Directors' remuneration is provided in the Directors' remuneration report. Key management personnel within the business are considered to be the Board of Directors. Pension contributions of £4K were paid in respect of the highest paid Director (2020: £12K). There were two (2020: two) Directors in a money purchase pension scheme.

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The total cost charged to income of £246K (2020: £254K) represents contributions payable to these schemes by the Group at rates specified in the rules of the plans. As at 31 December 2021, contributions of £26K (2020: £28K) due in respect of the current reporting period were included in the Group Statement of Financial Position for payment in January 2022.

The Group operates an Unapproved EMI Share Option plan. A change in fair value of £27K (2020: £38K) has been recognised in the income statement during the year. Further details on share options are included in note 22.

7. Finance costs

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Interest payable:		
Interest on Right of Use lease	25	17
Interest on other loans	2	5
	27	22

8. Tax

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Analysis of (charge) / credit in the year		
Current tax:		
Current year State tax – US	(10)	(10)
Adjustment to prior year charge – UK	(3)	(3)
Deferred tax credit	1,087	20
Taxation	1,074	7

The Group has unutilised tax losses at 31 December 2021 in the UK and the USA of £16.3m (2020: £15.6m) and $11.2m (2020: $14.2m) respectively. These losses have been agreed with the tax authorities in the UK and USA. The Board intends to make use of all losses wherever possible.

Some of the US tax losses are restricted to $491K per annum as a result of change of control legislation. Losses carried forward from the change of control in April 2008 are restricted and must be used within 20 years. The Board believes the Group will be able to make use of $7.4m (2020: $7.7m) of the total unutilised losses at 31 December 2021.

No deferred tax has been recognised in accordance with advice from US tax accountants on the basis that the US losses are restricted and there is uncertainty on the value of losses which will be able to be used.

From 1 April 2023, the corporation tax rate applicable to companies with taxable profits above £250,000 will be 25 per cent. Companies with profits below £50,000 will, however, continue to pay tax at the current rate of 19 per cent. Those with taxable profits between £50,000 and £250,000 will benefit from marginal relief, similar to that which applied before the previous incarnation of the small companies' rate of corporation tax was abolished with effect from 1 April 2015.

The differences are explained below:

Reconciliation of tax charge / (credit)	Year ended 31 Dec 21 £'000	Restated Year ended 31 Dec 20 £'000
Profit on ordinary activities before tax	727	442
Tax at the UK corporation tax rate of 19% (2020: 19%)	138	84
Income / expenses not allowable for tax purposes	(16)	14
Unrelieved losses carried forward	354	245
Utilisation of losses	(529)	(213)
Difference in timing of allowances	56	(129)
Deferred tax movement	(1,087)	-
Adjustment to tax charge in respect of prior years	10	(8)
Total taxation	(1,074)	(7)

United Kingdom Corporation tax is calculated at 19% (2020: 19%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. Earnings per share and dividends

Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive ordinary share options. Management estimate 669,578 ordinary shares will be issued (2020: 681,000) in respect of share options.

	Year ended 31 Dec 21 £'000	Restated Year ended 31 Dec 20 £'000
Attributable profit	1,801	449
Weighted average number of ordinary shares used in basic earnings per share ('000)	16,481	16,834
Shares deemed to be issued in respect of share-based payments ('000)	670	681
Weighted average number of ordinary shares used in dilutive earnings per share ('000)	17,151	17,515
Basic profit per share arising from both total and continuing operations	10.93 p	2.67 p
Diluted profit per share arising from both total and continuing operations	10.50 p	2.56 p

Dividends

On 9th August 2021 the Company paid a final dividend of 1.5 pence per share for the year ended 31 December 2020. On 29th October 2021 an interim dividend of 1 pence per share was paid in respect of the year ended 31 December 2021.

After the year end, the Directors declared their intention to pay a final dividend of 2p for the year ended 31 December 2021.

10. Goodwill

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Gross carrying amount		
Content Products division	2,661	2,661
Total goodwill	2,661	2,661

Goodwill has been recognised on historic acquisitions and is reviewed at the end of each financial period for impairment.

For the purpose of annual impairment testing, goodwill is allocated to the following cash-generating units (CGUs), which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises.

At the year end, management carried out an impairment review of goodwill attached to each business unit. Following that review, management are of the opinion that no impairment needs to be recognised against the goodwill.

The recoverable amounts of the cash generating units were determined based on value in use calculations for the next five years which management believe they have reasonable knowledge in predicting and will benefit from the resulting cash generation. The 5 year forecast horizon is reasonable based on past experience, contracted terms and the long lead times required for transition off software platforms. Where applicable, management have assumed a forecast growth rate of 1-3.5% (2020: 1-2%).

Details are shown below.

	Content Division %
Content sales revenue growth	-
Hosting revenue growth	3.5
Time-based service revenue growth	-
Cost base growth	2-3

	Content Division £000
Carrying amount	2,661
Value of intangibles	-
Total goodwill and intangibles	2,661
Recoverable amount	5,644
5-year gross profit reduction for fair value to equal carrying amount	5,175

Management assumptions include stable profit margins based on past experience in this market which the management see as the best available information for the market. Management consider a pre-tax discount factor of 10% will reflect the CGU's cost of capital during the review period (2020: 10%) and that this is applicable to all cash-generating units.

The key assumption in the recoverable amount calculations is gross profit. This item can reasonably be expected to change, and the table above shows the total 5-year reduction in gross profit that would be required for the recoverable amount to be equal to the carrying amount.

11. Other intangibles

	Acquired Software Technology £'000
Cost	
At 31 December 2020	500
At 31 December 2021	500
Accumulated amortisation and impairment	
At 1 January 2020	342
Amortisation	100
At 31 December 2020	442
Amortisation	58
At 31 December 2021	500
Carrying amount	
At 31 December 2019	158
At 31 December 2020	58
At 31 December 2021	-

The cost of the acquired software was calculated by discounting expected cashflows from the acquired advertising software business over a 5 year period. Management expect a minimum of 5 years useful life from the product as current customers are on long term contracts and any customer migrations are very protracted in nature.

The discount rates used in the calculation of intangibles was 10%.

Amortisation has been charged on a straight-line basis from date of acquisition. All amortisation and impairment charges are included within depreciation, amortisation and impairment of non-financial assets.

12. Property, plant and equipment

	Office building £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost					
At 1 January 2020	853	18	87	1,788	2,746
Additions	-	-	-	986	986
Disposals	-	-	-	-	-
Transfers in	-	-	-	-	-
Exchange differences	-	-	-	(8)	(8)
At 31 December 2020	853	18	87	2,766	3,724
Additions	32	-	-	101	133
Disposals	-	(18)	(82)	(893)	(993)
Transfers in	-	-	-	-	-
Exchange differences	-	-	-	3	3
At 31 December 2021	885	-	5	1,977	2,867
Accumulated depreciation and impairment					
At 1 January 2020	610	18	84	1,561	2,273
Charge for the year	121	-	1	216	338
Disposals	-	-	-	-	-
Exchange differences	-	-	-	(6)	(6)
At 31 December 2020	731	18	85	1,771	2,605
Charge for the year	133	-	1	440	574
Disposals	-	(18)	(81)	(880)	(979)
Exchange differences	-	-	-	2	2
At 31 December 2021	864	-	5	1,333	2,202
Carrying amount					
At 31 December 2021	21	-	-	644	665
At 31 December 2020	122	-	2	995	1,119
At 1 January 2020	243	-	3	227	473

The Office Building category consists of a single right-of-use asset.

Right of Use Assets held under leases with a net book value of £456K (2020: £753K) are included under computer equipment in property, plant and equipment and £262K (2020: £107K) of depreciation was charged on these assets in the year, see note 20 for further details.

13. Trade and other receivables

Trade and other receivables comprise the following:

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Trade receivables - gross	1,539	1,834
Allowance for credit losses	(98)	(143)
Trade receivables - net	1,441	1,691
Other receivables	64	64
Accrued income	29	254
Financial assets at amortised cost	1,534	2,009
Prepayments	276	217
Non-financial assets	276	217
Trade and other receivables	1,810	2,226

All amounts are short term. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Trade receivables at the reporting date comprise amounts receivable from the sale of goods and services of £1.5m (2020: £1.8m, 2019: £2.2m).

The average credit period taken on sales of goods is 44 days (2020: 53 days, 2019: 56 days).

In measuring the expected credit losses, the trade receivables have been assessed on an individual basis. Certain trade receivables were found to be individually impaired and an allowance for credit losses of £98K (2020: £143K, 2019: £57K) has been recorded within "sales and marketing" in the Group Statement of Comprehensive Income. This allowance has been determined by reference to expected receipts after considering historical experience, readily available external indicators and forward-looking information. Trade receivables are written off (i.e., derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 6 months from the invoice date, failure to engage with the Group on alternative future payment arrangements and bankruptcy or administration of the customer are considered to be indicators of a potential expected credit loss. The Group has a stable customer base with strong relationships built up over time allowing it to make reasonable assessments of recoverability. The majority of trade receivables relate to customers ongoing ability to function, and past experience indicates the balances are recoverable subject to any future information that becomes available. Where an expected credit loss is recognised, it will be significantly influenced by additional forward looking information such as industry discussion papers, repayment plan reasonableness and direct account management negotiation.

On the above basis the expected credit loss for trade receivables is as follows:

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Balance as at 1 January	143	57
Amounts collected	(109)	(5)
Additional allowance in year	64	91
Balance as at 31 December	98	143

14. Investments classified as held for sale

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
49% investment held in BIDPT	320	320
Impairment	(320)	(320)
Balance as at 31 December	-	-

In the 2017 financial statements, the Group outlined it has been actively engaged in discussions to sell or dispose of its shareholding in the Chinese Joint Venture and had reclassified it as an asset held for sale. The Board does not believe a deal is imminent and in 2018 reclassified the Group's holding in the Joint Venture as an investment. Given the inherent uncertainty around valuing a Chinese non-listed, minority shareholding combined with flat earnings and an increasingly uncertain mechanism to repatriate funds, the Group fully impaired the investment. The Group's strategy going forward is to concentrate on its core product set and given the lack of control it exerts over the Joint Venture, it does not consolidate results into the Group.

15. Cash and cash equivalents

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Cash at bank and in hand:		
Cash at bank:		
- GBP	2,554	1,793
- USD	425	485
- EUR	27	45
	3,006	2,323
Bank Overdraft – GBP	-	-
Net cash and cash equivalents	3,006	2,323

Net cash and cash equivalents' is used for the Group Statement of Cash Flows. The net carrying value of cash and cash equivalents is considered a reasonable approximation of fair value.

16. Trade and other payables

Trade payables and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 26 days (2020: 29 days, 2019: 34 days).

The Directors consider that the carrying amount of trade payables approximates to their fair value.

Payables falling due within one year:

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Trade payables	267	457
Accruals	858	589
Lease obligations	258	441
Other payables	283	313
Financial liabilities at amortised cost	1,666	1,800
Social security and other taxes	325	261
Non-financial liabilities	325	261
Trade and other payables	1,991	2,061

17. Borrowings

As at 31 December 2021, there was no overdraft facility (2020: £250K & 2019: £250K). During the year, the average effective interest rate on bank overdrafts approximates to Nil % over base rate (2020: 2.5%, 2019: 2.5%) per annum. All borrowings are measured at amortised cost.

18. Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Lease Liabilities £'000
Balance as at 1 January 2020	409
Cash-flows:	
– Repayment	(451)
– Interest	-
Non-cash:	
– New leases	899
– Interest	15
Balance as at 31 December 2020	872
Cash-flows:	
– Repayment	(453)
– Interest	(21)
Non-cash:	
– New leases	31
– Interest	21
Balance as at 31 December 2021	450

19. Deferred tax

The movement in deferred tax within the Group Statement of Financial Position is as follows:

	Deferred tax liability		Deferred tax asset	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Balance as at 1 January	(12)	(32)	-	-
Charged to Group Statement of Comprehensive income (note 8)	(76)	20	1,163	-
Balance at 31 December	(88)	(12)	1,163	-

The components of deferred tax included in the Group Statement of Financial Position are as follows:

	Property, plant and equipment £'000	Tax losses £'000	Other temporary differences £'000	Total £'000
Balance as at 1 January 2020	-	-	(32)	-
Charged to Group Statement of Comprehensive income (note 8)	-	-	20	20
Balance at 31 December 2020	-	-	(12)	(12)
Charged to Group Statement of Comprehensive income (note 8)	(88)	1,163	12	856
Balance at 31 December 2021	(88)	1,163	-	844

Deferred tax is provided for at tax rates of 19% and 25% as applicable to each future accounting period. For further details see note 8.

20. Lease arrangements

The Group as lessee – IT equipment

Elements of the Group's IT equipment are held under lease arrangements. As at 31 December 2021, the net carrying amount of equipment under lease arrangements was £456K (2020: £753K). Lease liabilities are secured by the related assets. Future minimum lease payments are as follows:

Year ended 31 December 2021	< 1 year £'000	1 – 5 years £'000	Total £'000
Lease payments	255	206	461
Finance charges	(17)	(14)	(31)
Net present value	238	192	430

Year ended 31 December 2020	< 1 year £'000	1 – 5 years £'000	Total £'000
Lease payments	282	461	743
Finance charges	(18)	(31)	(49)
Net present value	264	430	694

The lease agreements include fixed payments and a purchase option at the end of the lease. The agreement is non-cancellable and does not contain any further restrictions.

The Group as lessee - Buildings

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

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Land and buildings:		
Minimum lease payments due within one year	22	151
Minimum lease payments due in the second to fifth years inclusive	-	-
	22	151

Leases for Land and Buildings represent contracts on the following offices: Oxford, UK and New Brunswick, NJ, USA.

The office building at Suite 2, Whichford House, Parkway Court, John Smith Drive, Oxford OX4 2JY has been classified as a Right of Use asset. The initial term of the licence runs until September 2022 and is terminable with 3 months' notice at the end of the 12-month minimum term, payments are fixed and there is no option to purchase. The Group anticipate the lease will be extended for at least a further 12 months.

The table below describes the nature of the Group's leasing activities:

Right of use (ROU) asset	No. of ROU assets	Range of remaining term	Average remaining term	No. of leases with extension options	No. of leases with option to purchase	No. of leases with variable payments	No. of leases with termination options
Buildings	1	9 months	9 months	1	-	-	1
IT equipment	3	1-2 years	1 year	-	3	-	-

The extension option of the UK building is flexible and currently amounts to £27K per annum for each further year of use.
The group has elected not to recognise a lease liability for a short term lease (leases with an expected term of 12 months or less) relating to a US office building. The Group also do not recognise lease liabilities for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of lease liability is as follows:

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Short term leases	8	9
Leases of low value assets	-	-
Variable lease payments	-	-

The Group's lease agreements do not contain any contingent rent clauses. None of the lease agreements contain escalation clauses or any restrictions regarding dividends, further leasing or additional debt.

21. Share capital

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Issued and fully paid:		
16,919,609 (2020: 16,919,609, 2019: 16,919,609) ordinary shares of 10p each	1,692	1,692

There is one class of ordinary shares and holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

Share issues

During the year 440,826 shares (2020: 81,000) were purchased for £315,771 by the company and retained as treasury shares. There were no shares issued during the year (2020: None).

22. Share options

The Group have an unapproved Executive Management Incentive (EMI) share option scheme. Further details are detailed below.

Unapproved EMI scheme

This scheme is part of the remuneration package of the Group's senior management. Options will vest if certain conditions, as defined in the scheme, are met. It is based on Group performance compared to budget over a 3 year period and one third of the options will vest in each of the 3 reporting periods if the performance targets are met in that period. Participating employees have to be employed at the end of each period to which the options relate. Upon vesting, each option allows the holder to purchase ordinary shares at the market price on date of grant.

Share options and weighted average exercise prices are as follows:

	Number of shares	Weighted average exercise price per share (£'s)
Outstanding at 1 January 2020	684,578	0.80
Granted	-	-
Lapsed	(3,333)	1.27
Outstanding at 31 December 2020	681,245	0.79
Granted	-	-
Lapsed	(11,667)	1.27
Outstanding at 31 December 2021	669,578	0.79

At 31 December 2021, the weighted average remaining contractual life of options was 89 months.

The fair value of options granted were determined using the Black Scholes method. The following principal assumptions were used in the valuation:

Grant date	January 2016	February 2016	August 2016	September 2017	September 2019
Vesting period ends	31 Dec 16	31 Dec 16	31 Dec 16	31 Dec 18	31 Dec 22
	31 Dec 17	31 Dec 17	31 Dec 17	31 Dec 19	
	31 Dec 18	31 Dec 18	31 Dec 18	31 Dec 20	
Share price at grant	£1.27	£1.27	£1.30	£1.56	£0.74
Volatility	26%	26%	16%	16%	27%
Risk free investment rate	5%	5%	5%	5%	5%
Fair value of option – 31 December 2016 vesting period	18p	18p	9p	-	-
Fair value of option – 31 December 2017 vesting period	26p	26p	17p	-	-
Fair value of option – 31 December 2018 vesting period	32p	32p	23p	16p	-
Fair value of option – 31 December 2019 vesting period	-	-	-	24p	-
Fair value of option – 31 December 2020 vesting period	-	-	-	31p	-
Fair value of option – 31 December 2022 vesting period	-	-	-	-	18p

The underlying volatility was determined with reference to the historical data of the Company's share price. In total £27K (2020: £38K) of employee remuneration expense and has been included in the profit for the year and released to retained earnings.

23. Notes to the cash flow statement

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. Refer to note 15 'cash and cash equivalents'. The initial recognition of lease liabilities are non-cash transactions excluded from the statement of cash flows.

Net debt reconciliation	Leases £'000	Bank £'000	Total £'000
Net debt at 1 January 2020	(409)	2,600	2,191
New leases	(786)	-	(786)
Financing cashflows	324	(279)	45
Interest payment	10	-	10
Other charges:			
Interest charge	(10)	-	(10)
Foreign exchange adjustments	-	2	2
Net debt at 31 December 2020	(871)	2,323	1,452
New leases	(32)	-	(32)
Financing cashflows	453	684	1,137
Interest payment	25	-	25
Other charges:			
Interest charge	(25)	-	(25)
Foreign exchange adjustments	-	(1)	(1)
Net debt at 31 December 2021	(450)	3,006	2,556

24. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Further information about the remuneration of individual Directors is provided in the Directors' remuneration report on page 22.

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Short term employee benefits	690	576

Directors' transactions

The amounts outstanding as at 31 December 2021 relate to amounts due from Ingenta plc to Directors in connection with invoiced Non-Executive fees.

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Amounts outstanding with Directors	8	15

Joint Venture transactions

The Joint Venture loan amounts to £149K (2020: £149K). The loan balance has no defined terms including any details on repayment terms or interest.

25. Financial risk management

The Group is exposed to various risks in relation to financial assets and liabilities. The main types of risk are foreign currency risk, interest rate risk, market risk, credit risk and liquidity risk.

The Group's risk management is closely controlled by the Board and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. The Group does not actively trade in financial assets for speculative purposes nor does it write options. The most significant financial risks are currency risk and certain price risks.

Foreign currency sensitivity

The Group trades in Sterling (GBP), US Dollars (USD) and Euros (EUR). Most of the Group's transactions are carried out in Sterling and US Dollars. Exposure to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily in USD, through the trading divisions in the USA (Ingenta Inc. and Publishers Communication Group Inc.). The Group does not borrow or invest in USD other than an intercompany loan denominated in USD between Vista International Ltd and Vista North America Holdings Ltd, the currency movement on which offsets within the Group Statement of Comprehensive Income.

In order to mitigate the Group's foreign currency risk, non-GBP cash flows are monitored and excess USD and EUR not required for foreign currency expenditure are translated into GBP on an on-going basis. The Group is a net importer of USD being cash flow positive by approximately $2.0m per annum. No further hedging activity is undertaken. The Group does not enter into forward exchange contracts.

Foreign currency denominated financial assets and liabilities, translated into GBP at the closing rate, are as follows:

	Short-term exposure USD £'000	Long-term exposure USD £'000
31 December 2021		
Financial assets	684	-
Financial liabilities	(162)	-
Total exposure	522	-
31 December 2020		
Financial assets	687	-
Financial liabilities	(191)	-
Total exposure	496	-

The following table illustrates the sensitivity of profit and equity with regard to the Group's financial assets and financial liabilities and the USD / GBP exchange rate "all other things being equal". Transactions in EUR are immaterial and therefore movements of the EUR / GBP exchange rate have not been analysed.

It assumes a + / - 10% change of the USD / GBP exchange rate for the year ended 31 December 2020 (2019: 10%). This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group foreign currency financial instruments held at each reporting date.

If GBP had strengthened against USD by 10% (2020: 10%) then this would have had the following impact:

	Loss for the year USD £'000	Equity USD £'000
31 December 2021	(46)	(68)
31 December 2020	(15)	(69)

If GBP had weakened against USD by 10% (2020: 10%) then this would have had the following impact:

	Profit for the year USD £'000	Equity USD £'000
31 December 2021	56	83
31 December 2020	18	85

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long term financing. Long term borrowings are therefore usually at fixed rates. At 31 December 2021 and 31 December 2020, the Group had no exposure to borrowings on variable interest terms and hence no sensitivity of profit or equity to changes in interest rates.

Credit risk analysis

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2021 £'000	2020 £'000
Cash and cash equivalents (note 15)	3,006	2,323
Trade receivables - net (note 13)	1,441	1,691
Other receivables (note 13)	64	64
Accrued income (note 13)	29	254
	4,540	4,332

The credit risk in respect of cash and cash equivalents is considered negligible as they are held with major reputable financial institutions only.

None of the Group's financial assets are secured by collateral or other credit enhancements.

The Group's management considers that the financial assets above, that are not impaired or past due for each of the reporting dates under review, are of good credit quality.

The Group continuously monitors defaults of customers and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and reports on customers are used and the Group's policy is only to deal with creditworthy customers. The credit terms range between 30 and 75 days and support and maintenance customers are required to pay the annual amount upfront, mitigating the credit risk. The ongoing credit risk is managed through regular review of ageing analysis. Some of the unimpaired trade receivables are past due at the reporting date.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk from any single customer or group of customers having the same characteristics. Trade receivables consist of a large number of customers in different sectors of the market and geographical locations.

The carrying amount of financial assets whose terms have been renegotiated, that would otherwise be past due or impaired is £Nil (2020 & 2019: £Nil).

Liquidity risk analysis

The Group manages its liquidity needs by monitoring scheduled debt repayments for long term financial liabilities as well as forecast cash flows due in day-to-day business. Liquidity needs are monitored in various time bands. Short term cash flow is monitored daily using known daily inflows and outflows for cash within 8 to 12 weeks. Medium term cash flows within 12 months are monitored using monthly rolling forecast data. Longer term cash flows are monitored using higher level management strategy documents. Net cash requirements are compared to cash balances and forecast in order to determine headroom or any shortfalls. This analysis shows if available cash is expected to be sufficient over the lookout period of 15 months to March 2022.

The Group maintains sufficient cash balances and enters into lease arrangements to meet its liquidity requirements for the medium-term forecast period (1 year).

As at 31 December 2021, the Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current £'000		Non-current £'000	
31 December 2021:	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Bank borrowings (note 17)	-	-	-	-
Lease obligations	142	135	206	-
Trade and other payables (note 16)	1,408	-	-	-
Total	1,550	135	206	-

This compares to the Group's financial liabilities in the previous reporting period as follows:

	Current £'000		Non-current £'000	
31 December 2020:	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Bank borrowings (note 17)	-	-	-	-
Lease obligations	141	141	461	-
Trade and other payables (note 16)	1,359	-	-	-
Total	1,500	141	461	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying value of the liabilities at the reporting date. Where the customer has a choice of when an amount is paid the liability has been included on the earliest date on which payment can be required.

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities.

An analysis of the Group's financial assets is set out below:

	As at 31 December 2021			As at 31 December 2020		
	Amortised cost £'000	FVTPL £'000	Total £'000	Amortised cost £'000	FVTPL £'000	Total £'000
Trade and other receivables	1,534	-	1,534	2,009	-	2,009
Cash and cash equivalents	3,006	-	3,006	2,323	-	2,323
Total financial assets	4,540	-	4,540	4,332	-	4,332

An analysis of the Group's financial liabilities is set out below:

	As at 31 December 2021			As at 31 December 2020		
	Other liabilities (amortised cost) £'000	Other liabilities at FVTPL £'000	Total £'000	Other liabilities (amortised cost) £'000	Other liabilities at FVTPL £'000	Total £'000
Non-current lease obligations	192	-	192	442	-	442
Current lease obligations	258	-	258	441	-	441
Trade and other payables	1,408	-	1,408	1,800	-	1,800
Total financial liabilities	1,858	-	1,858	2,683	-	2,683

26. Capital management policies and procedures

The Group's capital management objectives are:

To ensure the Group's ability to continue as a going concern and provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity plus any loan notes less cash and cash equivalents. The Group's goal in capital management is a capital to overall financing ratio of 1:6 to 1:4.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities other than loan notes. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital for the reporting periods under review is summarised as follows:

	2021 £'000	2020 £'000
Total equity	3,531	3,531
Loan notes	-	-
Short term loans	-	-
Cash and cash equivalents	(3,006)	(2,323)
Capital	525	1,208
Total equity	3,531	3,531
Borrowings	-	-
Overall financing	3,531	3,531
Capital to overall financing ratio	0.15	0.34

27. Post balance sheet events

There are no post balance sheet events.

28. Prior period adjustment

An adjustment has been made to the treatment of foreign exchange gains and losses on intercompany balance translation at year end. Previously all intercompany balances were treated as a net investment and on consolidation any exchange gains and losses were recorded in other comprehensive income and recognised in the currency translation reserve in equity. Some of these intercompany balances have subsequently been reclassified as trading balances on the basis that transactions occur between trading entities. The summarised corrections are shown below:

	Administration expenses £'000	Retained Earnings £'000	Translation Reserve £'000
Prior to 1 January 2020		356	(356)
Year ended 31 December 2020	(178)	(178)	178

Prior to 1 January 2020, £356K of foreign exchange losses have been reclassified from the translation reserve to retained earnings within equity. For the year ended 31 December 2020, £178K of foreign exchange gains have been reclassified from the translation reserve in equity and recognised in the Statement of Comprehensive Income within administration expenses.

These adjustments have also impacted on the Statement of Cash Flows. The cash and cash equivalents balances remain the same, however, changes are reflected within the profit before taxation and movements in unrealised foreign exchange differences.

The Statement of Changes in Equity has also been restated for the profit in the year and the foreign exchange differences on translation of foreign operations.

The impact on reported basic and diluted earnings per share for the year ended 31 December 2020 was an increase of 1.06p and 1.02p respectively.

Company statement of financial position

	note	31 Dec 21 £'000	31 Dec 20 £'000
Non-current assets			
Investments	4	3,323	3,296
Current assets			
Trade and other receivables	5	6,165	6,336
Cash and cash equivalents		5	3
		6,170	6,339
Total assets		9,493	9,635
Equity			
Called up share capital	7	1,692	1,692
Share premium account		-	-
Share option reserve		88	61
Retained earnings		6,466	6,635
Total Equity		8,246	8,388
Current liabilities			
Trade and other payables	6	1,247	1,247
Non-current liabilities			
Total liabilities		1,247	1,247
Total equity and liabilities		9,493	9,635

The profit recognised in the year was £557K (2020: £634K).

The financial statements were approved by the Board of Directors and authorised for issue on 24 June 2022 and were signed on its behalf by:

J R Sheffield
Director

G S Winner
Director

Registered number: 00837205

The accompanying notes form part of these financial statements.

Company statement of changes in equity

For the year ended 31 December 2021

	Share capital £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2021	1,692	61	6,635	8,388
Dividends paid	-	-	(410)	(410)
Shares bought into treasury	-	-	(316)	(316)
Share options granted	-	27	-	27
Transaction with owners	-	27	(726)	(699)
Profit for the year	-	-	557	557
Total comprehensive income / (expense) for year	-	27	(169)	(142)
Balance at 31 December 2021	1,692	88	6,466	8,246

For the year ended 31 December 2020

	Share capital £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2020	1,692	23	6,316	8,031
Dividends paid	-	-	(252)	(252)
Shares bought into treasury			(63)	(63)
Share options granted	-	38	-	38
Transaction with owners	-	38	(315)	(277)
Profit for the year	-	-	634	634
Total comprehensive income / (expense) for year	-	38	319	357
Balance at 31 December 2020	1,692	61	6,635	8,388

Notes to the Company financial statements

1. Accounting Policies

Statement of compliance
These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates and management are required to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 45(b) and 46 to 52 of IFRS 2 'Share based payment' including details of the number and weighted average exercise prices of share options and how the fair value of goods or services received was determined.
- IFRS 7 'Financial instruments' disclosures
- Paragraph 91 to 99 of IFRS 13 'Fair value measurement' disclosures relating to valuation techniques and inputs used for fair value measurement of assets and liabilities.
- The following paragraphs of IAS 1 'Presentation of financial statements':
  - 10(d) statement of cashflows
  - 16 statement of compliance with all IFRS
  - 38A requirement for a minimum of two primary statements, including cashflow statements
  - 38B-D additional comparative information
  - 111 Statement of cashflow information
  - 134-136 Capital management disclosures
- IAS 7 'Statement of cashflows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' and the requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective.
- Paragraph 17 of IAS 24 'Related party disclosures' and the requirement to present key management compensation
- IAS 24 'Related party disclosures' and the requirement to disclose related party transactions entered into between two or more members of a group.

Accounting policies
A summary of the principal Company accounting policies, which have been applied consistently, is set out below.

Investments
Investments held as fixed assets are stated at cost less any provision for impairment in value. The Directors have impaired the investments as appropriate based on the findings of the wider impairment review detailed in note 10 of the Group accounts.

Borrowings
Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Going concern
The accounts are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, management have taken into account all relevant available information about the future including a profit and cash forecast, the continued support of the shareholders and Directors, banking facilities and management's ability to affect costs and revenues.

Management regularly forecast profit, financial position and cash flows for the Group. The rolling annual forecast is normally updated monthly.

Having reviewed the latest forecast, management regard the forecast to be robust. Revenue streams are forecast in detail with all recurring revenue contracts individually listed and ranked by firmness from firm to prospect. Management have reviewed forecast costs for reasonableness against prior years and with knowledge of expected movements and concluded that forecast costs are robust (refer to the Group Strategic report on pages 4 to 15 and the Group accounting policies).

Share options
Please refer to the Group accounting policies note for full details. Within the parent company accounts, share based payments are recorded as an increase to investments and credited to the share option reserve within equity.

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date.

Transactions in foreign currencies during the year are recorded at a monthly estimated rate set at the beginning of each month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and not subsequently retranslated.

Deferred taxation
Provision is made for deferred taxation, using the full provision method, on all taxable temporary differences. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Significant accounting estimates and judgements
When preparing the financial statements management make estimates, judgements and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Intercompany receivables
The Company assesses the carrying value of its intercompany receivables using a time to pay repayment model. The receivables are repayable on demand and non-interest bearing and management believe a repayment plan will provide the best recovery solution. The repayment calculation includes estimates about future financial performance over a 5 year repayment period and includes sensitivity analysis for downside scenarios.

Subsidiary investments
The Company assesses the carrying value of its subsidiary investment balances using the average group share price over the current year as an approximation of value. The investments relate to current trading entities or business units which are the value drivers of the Group. The anticipated sale value is modelled after repayment of intercompany receivables have been repaid using a 10% discount factor.

2. Profit for the financial year

The parent Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own income statement in these financial statements. The parent Company's profit for the year was £557K (2020: £634K), impairment for intercompany debtors was £Nil (2020: £Nil) and impairment of investments was £Nil (2020: £Nil). An audit fee of £20K was paid in respect of the parent Company audit (2020: £20K).

Tax fees for the Group of £1K (2020: £(7)K) have been borne by the subsidiary companies.

The Company employed two Executive Directors (2020: two), three Non-Executive Directors (2020: four) and the Non-Executive Chairman. The costs of these employees and the fees for the other Non-Executive Directors were borne by the subsidiaries.

3. Staff Numbers and Costs

	Year ended 31 Dec 21 Average number	Year ended 31 Dec 20 Average number
Staff numbers:		
Operations	6	7

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Their aggregate remuneration comprised:		
Wages and salaries	196	204
Other staff costs	9	7
Total staff costs	205	211

4. Investments

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Cost		
At 1 January	3,296	3,258
Share options issued to employees of subsidiaries	27	38
At 31 December	3,323	3,296

Investments are investments in subsidiary and Joint Venture undertakings.

Details of subsidiary undertakings, in which the Company holds majority shareholdings and investments in which the Company holds significant interest and which have been consolidated and disclosed respectively in the Group financial statements, are as follows:

Company	Country of registration	Registered address	Holding	Proportion held	Nature of the business
Catchword Limited	England	UK*	Ordinary shares	100%	Dormant
			Preference shares	100%	
Ingenta Holdings Limited	England	UK*	Ordinary shares	100%	Dormant
Ingenta US Holdings Inc.	USA	US*	Ordinary shares	100%	Holding Company
Publishers Communication Group Inc	USA	US*	Ordinary shares	100%	Marketing and Sales Consultancy
Ingenta UK Limited	England	UK*	Ordinary shares	100%	Publishing Software and Services
Ingenta Inc	USA	US*	Ordinary shares	100%	Publishing Software and Services
Publishing Technology do Brasil LTDA	Brazil	BRA*	Ordinary shares	100%	Publishing Software and Services
Publishing Technology Australia Pty Ltd	Australia	AUS*	Ordinary shares	100%	Publishing Software and Services
Vista Computer Services Limited	England	UK*	Ordinary shares	100%	Dormant
Vista Computer Services LLC	USA	US*	Ordinary shares	100%	Dormant
Vista Holdings Limited	England	UK*	Ordinary shares	100%	Dormant
Vista International Limited	England	UK*	Ordinary shares	100%	Holding Company
Vista North America Holdings Limited	England	UK*	Ordinary shares	100%	Non-Trading Holding Company
Uncover Inc	USA	US*	Ordinary shares	100%	Dormant
Beijing Ingenta Digital Publishing Technology Limited	China	CHI*	Ordinary shares	49%	Publishing Software and Services
5 Fifteen Limited	England	UK*	Ordinary shares	100%	Digital Advertising Solutions
5 Fifteen Inc.	USA	US*	Ordinary shares	100%	Digital Advertising Solutions

UK* Suite 2, Whichford House, Parkway Court, John Smith Drive, Oxford, OX4 2JY, UK
US* 317 George Street, New Brunswick, NJ 08901, USA
CHI* Room 2227, Building D33 No.99, Kechuang 14th Street, Beijing Economic and Technological Development Zone, China
AUS* Suite 2, Ground Floor, 5 Alexander Street, Crows Nest, NSW 2065, Australia
BRA* Edificio Esplanada Park, Rua Jeronimo da Veiga, 164, 16C-16 andar, Itaim Bibi, 04536-000, Brazil

5. Trade and other receivables

Amounts falling due within one year	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Other debtors:		
Amounts due from subsidiary undertakings	21,832	22,003
Provision for intercompany debtors	(15,667)	(15,667)
	6,165	6,336

Balances recorded for subsidiary undertakings are not governed by formal loan agreements and are repayable on demand with no interest charged.

6. Trade and other payables

Amounts falling due within one year	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Other creditors:		
Amounts due to subsidiary undertakings	1,098	1,098
Accruals	149	149
	1,247	1,247

7. Share Capital

	As at 31 Dec 21 £'000	As at 31 Dec 20 £'000
Issued and fully paid:		
16,919,609 (2020: 16,919,609) ordinary shares of 10p each	1,692	1,692

Share issues

During the year 440,826 (2020: 81,000) shares were purchased for £316K (2020: £63K) by the company and retained as treasury shares. There were no shares issued during the year (2020: None).

There is one class of ordinary shares and holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

8. Borrowings

	Year ended 31 Dec 21	Year ended 31 Dec 20
Bank overdrafts	N/A	£250K facility in place

The Company bank accounts form part of the wider Group facility with HSBC Bank plc. These accounts are linked and any facility limit is based on the net balance of all Group accounts taken together. There was no Group overdraft facility in place during 2021 (2020: £250K).

9. Related party transactions

Other related party transactions

Please refer to note 24 of the Group financial statements.

A summary of related party transactions and balances is shown herein:

	As at 31 Dec 20 £'000	Recharges £'000	Impairment £'000	As at 31 Dec 21 £'000
Ingenta UK Limited	4,987	(458)	-	4,529
Ingenta Inc	1,348	287	-	1,635
Publishers Communication Group Inc.	1	-	-	1
Catchword Limited	(429)	-	-	(429)
Ingenta US Holdings Inc.	(669)	-	-	(669)
	5,238	(171)	-	5,067

10. Financial assets and liabilities

An analysis of the company's assets is set out below:

	As at 31 December 2021		As at 31 December 2020	
	Loans and receivables £'000	Total for financial position heading £'000	Loans and receivables £'000	Total for financial position heading £'000
Other receivables	6,165	6,165	6,336	6,336
Cash and cash equivalents	5	5	3	3
	6,170	6,170	6,339	6,339

	As at 31 December 2021		As at 31 December 2020	
	Financial liabilities at amortised cost £'000	Total for financial position heading £'000	Financial liabilities at amortised cost £'000	Total for financial position heading £'000
Other payables	1,098	1,098	1,098	1,098
Other creditors	149	149	149	149
	1,247	1,247	1,247	1,247