AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANY INFORMATION

Directors	Henry Elkington Gavin Carter Andrew Millen
Registered number	10103719
Registered office	C/O Techinsights Europe/Chipworks Europe Limited 68 Lombard London England EC3V 9LJ

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The Directors present their strategic report on the Group for the year from 1 January 2019 to 31 December 2019.

Business review

AXIO Technical Intelligence Holdco Limited ("The Company") is an investment and holding company. The Company and its subsidiary undertakings comprise a Group of companies which operate a portfolio of market-leading information businesses providing data and information products which professionals within the technical intelligence sector use to support their decision-making and day-to-day business activities.

Results and performance

The results for the year are set out in the consolidated statement of profit and loss and other comprehensive income. The profit for the year ended 31 December 2019 was USD $4.8M (2018: profit of USD $4.5M) as set out on page 10.

The underlying results excluding exceptional items were as follows:

	2019 In millions of USD	31 December 2018 In millions of USD
Revenue	**$49.5**	$51.8
Operating Profit	**$13.7**	$13.8
EBITDA	**$16.8**	$16.5

The reconciliation of the Company operating profit to underlying continuing EBITDA is shown in Note 7.

Strategy

The Group aims to maximise the value of its portfolio of businesses for the benefit of its shareholders by building and realising value. The Group seeks to be the clear leader in the focused markets that it serves and is committed to improving its businesses through organic investment and growth, acquisitions and partnerships and by focusing on the efficiency of its operations.

Financial key performance indicators

The Board monitors the progress of the Group by reference to:

- Revenue - Underlying revenue for the trading year is USD $49.5M (2018: $51.8M) as stated in Note 8;
- Underlying EBITDA (earnings before interest, tax, amortization, depreciation, restructuring costs, and acquisition costs) for the period is USD $16.8M (2018: $16.5M), as stated in Note 7;
- Net cash inflow from operating activities for the period is USD $11.7M (2018: $20.2M) as shown in the consolidated statement of cash flows on page 14; and
- Other operational KPIs applicable to individual businesses.

Principal risks and uncertainties

Economic Factors

A significant change in the global economic or to the economic conditions in any of the markets served by the Group may lead to a decline the performance of any of the Group's businesses, particularly in those businesses more exposed to discretionary spend. This could have an adverse impact on the Group's operational results.

Liquidity Risk

The Group is focused on ensuring its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group's cash position is carefully managed and reported to the board monthly. As set out in Note 2 of the consolidated financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign Exchange Risk

The group trades in foreign currencies, principally in Canadian Dollars. The Group has twelve open USD/CAD foreign exchange forward contracts in place as at 31 December 2019 with an ending net asset position of USD $0.2M (2018: net liability of $0.9M). The Group does not apply hedge accounting in respect of these forward contracts.

Credit Risk

Credit risk principally arises from credit exposure to customers. This risk is managed by each business unit in accordance with the Group's established policy, procedures and controls relating to customer credit management. Credit limits are established for all customers and are based inter alia on bank references and credit checks. Outstanding customer receivables are regularly monitored.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated. Furthermore, cash is generally received in advanced for subscription and event revenues.

United Kingdom Referendum ("Brexit")

The uncertainty brought on by the potential departure of the UK from the EU increases the risks to the valuation of Sterling-based assets. This risk is mitigated by the fact that the group's primary commercial operations are located in Ottawa, Canada and that the UK-based entities consist of holding companies and a small sales office. The group derives no revenues in Sterling and holds no significant monetary assets in the UK. Another potential area of uncertainty is the impact on taxation in the UK and between the group companies and EU member countries. The UK's departure from the EU could lead to changes in the future tax status of the group's UK-based companies which may influence future investment strategies. The impact of Brexit on borrowing and on interest rates is unknown at this time, but the group is exposed to LIBOR under its current long-term debt agreement. Management will monitor developments closely and explore strategies to mitigate the risk to its cost of borrowing.

This report was approved by the board and signed on its behalf.

....
Andrew Millen
Director
Date: 28 April 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the consolidated annual financial statements for the year ended 31 December 2019.

Principal activity

The Company was incorporated on 5 April, 2016 in the United Kingdom and is registered in England and Wales. AXIO Technical Intelligence Holdco Limited ("The Company") is an investment and holding company. The Company and its subsidiary undertakings comprise a Group of companies which operate a portfolio of market-leading information business providing data and information products which professionals within the technical intelligence sector use to support their decision-making and day-to-day business activities.

In accordance with section 414(c) (11) of the Companies Act, the Company has chosen to set out information regarding Activities and Results of the Company that is otherwise required to be contained in the Directors' report, within its Strategic Report.

Directors

The directors who served during the year were:

- Henry Elkington
- Gavin Carter
- Andrew Millen

No director had any beneficial interest in any contract to which the Company or a subsidiary was a party during the year.

The directors' beneficial and non-beneficial interests in the share capital, including share options, of the Company are shown on Note 29 and their emoluments in Note 13.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the period.

Going concern

The accounts have been prepared on a going concern basis. The background to and reasons for the adoption of the going concern basis are explained in Note 2 of the notes to the consolidated financial statements.

Employee involvement

During the year, the Group employed an average of 264 (2018: 272) full time equivalent employees.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post year end events

In March 2020, the Group drew $1.5M under its revolving credit facility to increase its cash position and preserve financial flexibility in light of current uncertainty in business conditions due to the COVID-19 global pandemic.

Auditors

The auditors, KPMG LLP, Statutory Auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

....
Andrew Millen
Director
Date: 28 April 2020
Registered Number: 10103719

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the directors' report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

Opinion

We have audited the financial statements of Axio Technical Intelligence Holdco Limited ("the company") for the year ended 31 December 2019 which comprise the consolidated statement of financial position, consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated cash flows statement, company statement of financial position, company statements of profit or loss and other comprehensive income, company statement of changes in equity, company cash flows statement, and the related notes, including the accounting policies.

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 2019 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements which indicates that in a severe but plausible downside scenario the Group and Company's ability to continue as a going concern is dependent on the external lender not calling in the amounts owing to it should the covenant be breached and the continued financial support from its shareholders. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the Group and the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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 or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Hugh Green (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
United Kingdom
E14 5GL

28 April 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 $000	31 December 2018 $000
Revenue	8	**49,479**	51,820
Employee costs	13	**(21,980)**	(23,842)
Amortisation	16	**(1,913)**	(2,141)
Depreciation	17, 18	**(1,180)**	(545)
Impairment reversal	19	**43**	334
Exceptional restructuring costs	11	**(786)**	(1,585)
Other operating expenses	11	**(10,728)**	(11,806)
Profit from operations		**12,935**	12,235
Net financing expense	12	**(5,609)**	(5,490)
Profit before tax		**7,326**	6,745
Tax expense	14	**(2,509)**	(2,232)
Profit for the year		**4,817**	4,513
Other comprehensive income (loss):			
Items that will be reclassified to profit or loss:			
Foreign currency translation of foreign operations		**8**	(35)
Total comprehensive income		**4,825**	4,478
Profit for the year attributable to:			
Owners of the parent		**4,817**	4,513
Total comprehensive income attributable to:			
Owners of the parent		**4,825**	4,478

The accompany notes on page 16 to 70 are an integral part of the consolidated financial statements.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 $000	2018 $000
Assets			
Non-current assets			
Goodwill	15	**14,969**	14,569
Intangible assets	16	**5,906**	7,243
Property, plant and equipment	17	**3,358**	3,117
Right-of-use assets	18	**923**	-
Investment tax credits	19,21	**2;462**	3,133
Deferred tax assets	14	**102**	114
		27,720	28,176
Current assets			
Investments and forward contracts	22	**450**	220
Trade and other receivables	19	**11,466**	9,838
Cash and cash equivalents	20	**6,753**	5,266
		18,669	15,324
Total assets		**46,389**	43,500
Liabilities			
Non-current liabilities			
Loans and borrowings	23	**61,546**	62,596
Lease obligations	28	**658**	-
Trade and other liabilities	24	**-**	102
Provisions	25	**-**	1,581
Deferred tax liability	14	**1,753**	1,411
		63,957	65,690
Current liabilities			
Loans and borrowings	23	**14**	650
Lease obligations	28	**429**	-
Forward contracts	27	**-**	935
Tax payable	14	**599**	332
Deferred revenue	26	**10,714**	8,125
Trade and other liabilities	24	**2,941**	4,001
Provisions	25	**361**	716
		15,058	14,759
Total liabilities		**79,015**	80,449
Net liabilities		**(32,626)**	(36,949)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 $000	2018 $000
Issued capital and reserves			
Share capital	32	**460**	860
Merger reserve	33	**(23,204)**	(23,204)
Foreign currency translation reserve	33	**2,826**	2,818
Profit and loss reserve	33	**(12,708)**	(17,423)
		(32,626)	(36,949)
Total equity		**(32,626)**	(36,949)

The accompanying notes on pages 16 to 70 are an integral part of the consolidated financial statements. The financial statements were approved and authorised for issue by the board of directors on 28 April 2020 and were signed on its behalf by:

....
Andrew Millen
Director
Registered Number: 10103719

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital $000	Share premium $000	Merger reserve $000	*Foreign* currency translation reserve $000	Profit and Loss Reserve $000	Total *attributabl* e to equity holders of parent $000	Total equity (deficit) $000
At 1 January 2018	1	16,991	(18,917)	2,853	(13,997)	(13,069)	(13,069)
Loss for the period	-	-	-	-	4,513	4,513	4,513
Other comprehensive income	-	-	-	(35)	-	(35)	(35)
Total comprehensive income for the year	-	-	-	(35)	4,513	4,478	4,478
Dividends distributed to parent (Note 32)	-	-	-	-	(28,358)	(28,358)	(28,358)
Issue of ordinary shares (Note 31)	859	-	-	-	-	859	859
Capital reduction (Note 32)	-	(16,991)	(3,428)	-	20,419	-	-
Share capital issued for reorganisation of subsidiary (Note 31)	-	-	(859)	-	-	(859)	(859)
Total contributions by and distributions to owners	859	(16,991)	(4,287)	-	(7,939)	(28,358)	(28,358)
At 31 December 2018	**860**	**-**	**(23,204)**	**2,818**	**(17,423)**	**(36,949)**	**(36,949)**
At 1 January 2019	860	-	(23,204)	2,818	(17,423)	(36,949)	(36,949)
Profit for the year	-	-	-	-	4,817	4,817	4,817
Other comprehensive income	-	-	-	8	-	8	8
Total comprehensive income for the year	-	-	-	8	4,817	4,825	4,825
Capital reduction (Note 31)	(400)	-	-	-	400	-	-
Dividends distributed to parent (Note 32)	-	-	-	-	(502)	(502)	(502)
Total contributions and distributions to owners	(400)	-	-	-	(102)	(502)	(502)
At 31 December 2019	**460**	**-**	**(23,204)**	**2,826**	**(12,708)**	**(32,626)**	**(32,626)**

The accompany notes on pages 16 to 70 are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $000	2018 $000
Cash flows from operating activities			
Profit for the year		**4,817**	4,513
		4,817	4,513
Adjustments for			
Depreciation of property, plant and equipment	17,18	**1,180**	545
Gain on sale of property, plant and equipment	17	**-**	(8)
Amortisation of intangible fixed assets	16	**1,913**	2,141
Impairment losses on intangible assets	16	**-**	87
Net finance expense	12	**5,609**	5,490
Investment impairment	22	**-**	103
Income tax expense	14	**2,509**	2,232
		16,028	15,103
Movements in working capital:			
Increase/(decrease) in trade and other receivables		**(1,628)**	3,958
Increase/(decrease) in forward contract		**(1,152)**	852
Decrease in trade and other payables		**(1,004)**	(391)
Decrease in provisions		**(1,938)**	(353)
Increase in deferred revenue		**2,590**	1,767
Cash generated from operations		**12,896**	20,936
Income taxes paid		**(1,216)**	(774)
Net cash from operating activities		**11,680**	20,162
Cash flows from investing activities			
Purchases of property, plant and equipment	17	**(861)**	(1,674)
Proceeds from disposal of property, plant and equipment	17	**-**	15
Goodwill recognized upon asset acquisition	15	**(400)**	-
Purchases of intangibles	16	**(576)**	(653)
Decrease/(increase) in investments	22	**(12)**	21
Interest received		**26**	35
Dividend payment		**(102)**	-
Net cash used in investing activities		**(1,925)**	(2,256)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $000	2018 $000
Cash flows from financing activities			
External interest and finance costs paid	23	**(5,538)**	(4,206)
Loan issue costs	23	**-**	(455)
Finance charge expense		**(51)**	(37)
Interest on lease obligations	28	**(68)**	-
Payment of lease obligations	28	**(557)**	-
Proceeds from loans and borrowings	23	**-**	26,250
Repayment of loans and borrowings	23	**(1,988)**	(7,288)
Dividends paid to the holders of the parent	33	**(400)**	(28,358)
Net cash used in financing activities		**(8,602)**	(14,094)
Net increase in cash and cash equivalents		**1,153**	3,812
Cash and cash equivalents at the beginning of year		**5,266**	2,518
Exchange gain/(loss) on cash and cash equivalents		**334**	(1,064)
Cash and cash equivalents at the end of the year	20	**6,753**	5,266

The accompany notes on page 16 to 70 are an integral part of the consolidated financial statements.

1. Reporting entity

AXIO Technical Intelligence Holdco Limited (the 'Company') is a limited company incorporated in the United Kingdom. The Company's registered office is at C/O TechInsights Europe/Chipworks Europe Limited, 68 Lombard Street, London, England, and Wales, EC3V 9LJ. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in operating a portfolio of market-leading information businesses providing data and information products and services which professional within the technical intelligence sector use to support their decision-making and day-to-day business activities.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) as adopted by the EU ("Adopted IFRSs). They were authorised for issue by the Company's board of directors on 28 April 2020.

Details of the Group's accounting policies, including changes during the year, are included in Note 4.

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effect are disclosed in Note 5.

Going Concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons. The Group has long term relationships providing business critical information to its customers. In operating a subscription / licencing model with predominantly annual contracts paid in advance, a significant proportion of revenue is contracted and highly visible.

The Group had net liabilities of USD $32.6M (2018: 36.9M) as at 31 December 2019. The board has reviewed the liquidity position of the Group. In particular, the board has reviewed management's business forecasts up until 30 April 2021 for EBITDA and for after-tax cash flows available to servicing significant financial borrowings that fall due in October 2023 as set out in Note 23.

A significant change in the global economic or to the economic conditions in any of the markets served by the Group may lead to a decline in the performance of any of the Group's businesses, particularly in those businesses more exposed to discretionary spend. This could have an adverse impact on the Group's operational results. Following the balance sheet date, the world has been hit by a global pandemic of the COVID-19 virus. While there have been disruptions to manufacturing and supply chains around the world, the impact on the Group's operations and liquidity have not been substantial. Management has been maintaining and updating two sensitized financial models to perform ongoing evaluation of the level of risk and the potential impacts on the business for the twelve months following the approval of these statements.

The Group also has considerable diversity of financial resources with a number of customers and suppliers across different geographic areas. In the base case, management has assumed that its primary laboratory operations in Ottawa, Canada would remain functioning with only minor impacts to productivity and renewal rates with a more significant impact on new business. If this state were to continue for the next six months followed by a slow recovery for another six months, management has concluded that cash reserves could be preserved at current operating levels and that the Group can continue to operate within its financial covenants for the foreseeable future. On this basis, the board has a reasonable expectation that the Group has adequate resources to manage its business risks successfully and continue in operational existence for the foreseeable future. Thus, the board is of the view that the going concern assumption is appropriate and as such the consolidated financial statements have been prepared on this basis.

The advent of COVID-19 has however introduced additional risk and uncertainty which may impact on the future trading performance and liquidity of the Group. This could result in the forced closure of its laboratories, a softening of customer renewal rates and lower levels of new business being generated, as well as the likelihood of slower cash receipts and potentially some customers filing for bankruptcy.

As the situation and uncertainty associated with the COVID-19 pandemic continues to evolve, there *remains the potential for the creation of additional future financial risk. In response to this and its impact on* the company's ability to continue as a going concern, Management has prepared an additional downside scenario to model the potential impact for the Group up until 30 April 2021. Under this severe but plausible scenario, Management projects that a government-mandated closure of its facilties in May 2020 would result in a breach of covenants as early as the third quarter test in September 2020 which would entitle its lenders to require immediate repayment. Such a breach would require shareholders to contribute additional capital in order to cure the breach. Following discussions with the principal shareholder of the Group, the directors are also confident that if further liquidity is required, that this will be made available to the Group via a cash injection, subject to reaching a binding agreement with existing lenders and shareholders.

Based on the above indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, this material uncertainty may cast significant doubt on the Company's and the Group's ability to continue as a going concern and, therefore, to continue realizing its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

2.1 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Trade and other receivables	Amortised cost
Investments	Amortised cost or fair value
Trade and other liabilities	Amortised cost
Lease liability	Amortised cost
Interest-bearing loans and borrowings	Amortised cost
Provisions	Amortised cost
Forward contracts	Fair value

2.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 January 2019

IFRS 16 Leases

IFRS 16 specifies how to recognize, measure, present, and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all major leases. Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the 2018 information has not been restated. It remains as previously reported under IAS 17.

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease liability. Right-of-use assets and lease obligations were recorded as of January 1, 2019 with no impact on retained earnings. When measuring lease liabilities, the Company discounted lease payments using a discount rate of 5% at January 1, 2019.

The Company has elected to apply the practical expedients to account for leases for which the lease term ends within 12 months as short term leases, and the use of hindsight to adjust the lease term.

On transistion to IFRS 16, the Corporation recognized an additional $1.49M of right-to-use assets (net of deferred rent adjustment of $0.15M) and $1.64M of lease liabilities, recognizing no difference in retained earnings.

The following table reconciles the Company's operating lease obligations at December 31, 2018, as previously disclosed in the Company's comsolidated financial statements, to the lease obligations recognized on initial application of IFRS 16 at January 1, 2019:

	1 January 2019 **$000**
Operating lease commitment at December 31 2018	**4,261**
Discounted using the incremental borrowing rate at 1 January 2019	5 %
Lease liabilities recognized as at January 1 2019	**4,102**
Variable lease payments that do not depend on an index or rate and other immaterial items	(430)
Recognition exemption to use hindsight to adjust lease term	(2,022)
Recognition exemption for short term leases	(6)
Lease liabilities at 1 January 2019	**1,644**

Impact on the consolidated statements of financial position as at December 31, 2019:

	As Reported $000s	IFRS 16 Adjustment $000s	Amounts without IFRS 16 $000s
Assets			
Non-current assets			
Goodwill	14,969	-	14,969
Intangible assets	5,906	-	5,906
Property, plant and equipment	3,358	-	3,358
Right-of-use assets	923	(923)	-
Investment tax credits	2,462	-	2,462
Deferred tax assets	102	-	102
	27,720	(923)	26,797
Current assets			
Investments	450	-	450
Trade and other receivables	11,466	-	11,466
Cash	6,753	-	6,753
	18,669	-	18,669
Total assets	46,389	(923)	45,466
Liabilities			
Non-current liabilities			
Loans and borrowings	61,546	-	61,546
Lease obligations	658	(658)	-
Deferred tax liability	1,753	-	1,753
	63,957	(658)	63,299
Current liabilities			
Loans and borrowings	14	-	14
Lease obligations	429	(429)	-
Tax payable	599	-	599
Deferred revenue	10,714	-	10,714
Trade and other liabilities	2,941	109	3,050
Provisions	361	-	361
	15,058	(320)	14,738
Total liabilities	79,015	(978)	78,037
Net liabilities	(32,626)	55	(32,571)

	As Reported $000s	IFRS 16 Adjustment $000s	Amounts without IFRS 16 $000s
Issued capital and reserves			
Share capital	460	-	460
Merger reserve	(23,204)	-	(23,204)
Foreign currency translation reserve	2,826	49	2,875
Profit and loss reserve	(12,708)	6	(12,702)
	(32,626)	55	(32,571)
Total equity	(32,626)	55	(32,571)

Impact on the consolidated statements of comprehensive income for the year ended December 31, 2019:

	As Reported $000s	IFRS 16 Adjustment $000s	Amounts without IFRS 16 $000s
Revenue	49,479	-	49,479
Employee costs	(21,980)	-	(21,980)
Amortisation	(1,913)	-	(1,913)
Depreciation	(1,180)	559	(621)
Impairment reversal	43	-	43
Exceptional restructuring costs	(786)	-	(786)
Other operating expenses	(10,728)	(621)	(11,349)
Profit from operations	12,935	(62)	12,873
Net financing expense	(5,609)	68	(5,541)
Profit before tax	7,326	6	7,332
Tax expense	(2,509)	-	(2,509)
Gain for the year	4,817	6	4,823
Other comprehensive income):			
Items that will be reclassified to profit or loss:			
Foreign currency translation of foreign operations	8	49	57
Total comprehensive income	4,825	55	4,880
Profit for the year attributable to:			
Owners of the parent	4,817	6	4,823
Total comprehensive loss attributable to:			
Owners of the parent	4,825	55	4,880

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. The Group has concluded that there are no adjustments required to be made to the Company's financial statements as a result of the application of IFRS 23 from 1 January 2019.

ii) New standards, interpretations and amendments not yet effective

The group has not early-adopted any standard, interpretation, or amendment that was issued but is not yet effective.

3. Functional and presentation currency

These consolidated financial statements are presented in US dollars, which is the Company's functional currency. All amounts have been rounded to the nearest hundred thousand, unless otherwise indicated.

4. Accounting policies

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests (if any) even if this results in the noncontrolling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any noncontrolling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

4.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 4.2) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.4 Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into USD using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

4.5 Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

4.6 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *In the principal market for the asset or liability or*
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4.7 Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value.

4.8 Financial instruments

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

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

4.9 Financial assets

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

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

(i) Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

(ii) Amortised cost and effective interest method

The effective interest method is a method for calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased and originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised costs of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss and is included in the 'net finance expense' line item.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity instrument that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- debt instruments that do not meet the amortised cost criteria or the FVOCI criteria (see (ii) Amortised cost and effective interest method) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other operating expense' line item. Fair value is determined in the manner described in Note 27.

(iv) Impairment of financial assets

The Group measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables, financial difficulty of the borrower, and it becoming probable that the borrower will enter bankruptcy or financial reorganization.

Financial assets are written off when there is no reasonable expectation of recovery.

(v) Derecognition of financial assets

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

4.10 Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(iv) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.11 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.12 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant, and equipment so as to write off their carrying value over their expected useful economic lives. It is provided using the following range on a straight line basis:

Leasehold improvements	Shorter of estimated useful life and term of lease
Machinery and equipment	3-20 years
Motor vehicles	3-5 years

The Group assess an asset's residual value, useful life and depreciation method at each financial year end and makes adjustments if appropriate.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognized in the statements of profit or loss and other comprehensive income of the related year.

4.13 Intangible assets

(i) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally generated software	3-5 years
Brands	5-20 years
Customer relationships	5-15 years
Data sets & acquired software	3-10 years

(ii) Internally-generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

4.14 Impairment of non-financial assets (excluding deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

4.15 Employee benefits

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

4.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects the risks specific to the liability.

Provisions are estimates and the actual cost and timing of future cash flows are dependent on future events. Management reassesses the amounts of these provisions at each reporting date in order to ensure that they are measured at the current best estimate of the expenditure required to settle the obligation at the reporting date. Any difference between the amounts previously recognized and the current estimates is *recognized immediately in the Consolidated Statement of Profit and Loss.*

4.17 Leasing

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. Lease terms range from 1 to 5 years for offices and data centres. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

4.18 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer. Collections generally range from 45-60 days.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, the revenue can be reliably measured, and the costs to complete. Revenue is measured at the fair value of the consideration received or receivable, taking into account any contractually defined terms for discounts or contingent fees. The Group records payments received in advance of satisfying the revenue recognition criteria as deferred revenues until all criteria are satisfied.

When the Group enters into revenue arrangements that may consist of multiple deliverables it assesses whether each delivered element is considered a separate transaction that can be recorded separately. In certain circumstances, it is necessary to apply the recognition criteria to the separately identifiable components of a single transaction in order to reflect the substance of each individual element. Conversely, the recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions taken as a whole.

The Group also assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group records revenue on a gross basis, as a principal to the transaction, unless otherwise indicated.

Fee for Service revenue

Revenues from contracts for consulting services with fees based on time and materials are recognized as the services are performed and amounts are earned. The Group's efforts in these contracts are measured by time incurred, and engagements are typically completed over a number of weeks. In this case, hours incurred represent the contractual milestones and are reflected in the contractual earnings pattern.

Revenue from service contracts for fixed price contracts use the percentage of completion method. The Group estimates the percentage of completion on contracts with fixed fees using labour hours incurred as a percentage of total estimated labour hours to complete the consulting service. If there is a significant uncertainty about the project completion, receipt of payment or required effort, revenue is only recognized to the extent of contract costs likely to be recovered once the uncertainty is resolved, revenue will be recognized using the percentage of completion method described above. If circumstances arise that may change the estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or remaining costs to complete and are reflected in income in the period in which the circumstances that gave rise to the revision become known to the Group. When total cost estimates exceed estimated revenues, the Group will accrue for the estimated losses immediately. Contingent revenues relating to consulting contracts are recognized when the contingency is satisfied and the Group concludes the amounts are earned.

Subscription revenue

The Group provides hosted subscription solutions including updating the information on a continuous basis, which allows the customers the right to access the offering for a contracted term. The contract terms vary by customer from six months to two years. The subscription revenue is recognized ratably over the term covered by the subscription period.

Content Licensing revenue (formerly named Open Market Report)

The Group provides open-market technical reports to its customers. Revenues are recorded at the time the report is delivered to the customer either electronically through delivery of an access token or through physical shipment of a digital copy of the report on a memory device.

Membership revenue

The Group offers a loyalty program whereby customers enter into a master service agreement which entitles the customer to a discount, preferential scheduling and the ability to reserve time slots for future purchases of services. These options provide a material right to the customer throughout the term of the agreement and the entity recognizes membership revenue monthly over the program period. The duration of each program period is for the 12 months following the effective date of the agreement.

IP Program revenue

Many of the Group's larger clients have significant intellectual property assets in the form of patents. There is significant cost and effort that goes into the prosecution and maintenance of these patents. The Group offers an annual service to these clients to strengthen patent filings prior to submission, analyze the adequacy of patent portfolios for defensive or assertive purposes or to review portfolios to identify surplus assets for sale or to be culled in order to reduce the cost burden of maintenance and renewals. These Programs are a renewable commitment of a defined volume of work to be contracted throughout the year in the form of discrete statements of work.

4.19 Investment tax credits

Investment tax credits are recognized where there is reasonable assurance that the investment tax credits will be realized. The investment tax credits are recognized as income as a reduction to the related expenses in the year earned.

4.20 Taxation

Current tax for the current and prior years is recognized, to the extent unpaid, as a liability at the amount expected to be paid to the taxation authorities. The tax liabilities are measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition [other than in a business combination] of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Current tax expense and deferred tax expense are recognized in profit and loss except to the extent they arise from a transaction or event recognized in other comprehensive income or directly in equity. Any such tax expense is recognized in other comprehensive income or in equity respectively.

The Group is a multi-national Group with tax liabilities arising in many geographical locations. This inherently leads to complexity in the Group's tax structure. Therefore, the calculation of the Group's current tax liabilities and tax expense involves a degree of estimation and judgment in respect of items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The resolution of issues is not always within the control of the Group and issues can, and often do, take many years to resolve. The tax liabilities recognized in the consolidated financial statements are measured at the Group's estimate of tax that may become payable. Payments in respect of tax liabilities for an accounting year result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge in the Consolidated Statement of Profit or Loss and tax payments. The final resolution of certain of these items may give rise to material Profit or Loss and/or cash flow variances. Any difference between expectations and the actual future liability will be accounted for in the year identified.

4.21 Offsetting financial assets and liabilities

The Group offsets financial assets and financial liabilities and present the net amount on the Consolidated Statements of Financial Position when we have a legal right to offset them and intend to settle on a net basis or realize the asset and liability simultaneously.

4.22 Deferred revenue (contract liabilities)

Billings in excess of revenues recognized are recorded as deferred revenues until services are performed and the revenue has been earned.

4.23 Share capital

Share capital issued by the Company is recorded at the fair value of the proceeds received net of direct issue costs. Where any Company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects are included in equity attributable to the owners of the Company.

Ordinary shares of the company are classified as equity. Mandatory redeemable preference shares and other classes of share where an obligation exists to transfer economic benefits are classified as liabilities.

Treasury shares are presented in the balance sheet as a deduction from equity, and the acquisition of treasury shares should be presented in the financial statements as a change in equity.

4.24 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors.

Dividends on preference shares, which are classified as a financial liability, are treated as finance costs and are recognised on an accruals basis when an obligation exists at the reporting date.

5. Accounting estimates and judgements

5.1 Judgement

The following are the critical judgments, apart from those involving estimations, that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

Identification of CGUs

The Group has allocated its tangible, intangible assets and goodwill to the smallest identifiable group of assets that generate cash inflows and that are largely independent of the cash inflows from other assets. The determination of CGUs or groups of CGUs for the purpose of annual impairment testing requires judgment.

Internally developed intangible assets

Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the useful life of the internally generated intangible asset, management makes assumptions regarding the expected period of benefits. The amounts and useful lives assigned to internally-generated intangible assets impacts the amount and timing of future amortization expense. The Group also makes judgments with regards to the point in time in which an internally generated intangible asset may not be viable and the related costs are written-off.

5.2 Estimates and assumptions

The following estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Revenue recognition

The Group's contracts have different terms based on the scope, deliverables and complexity of the engagement, which frequently require the Group to make judgments and estimates in recognizing revenues.

Fee for Service revenue when based on fixed fees requires the Group to make estimates regarding the stage of completion and the total services expected to be performed by considering historical data of similar contracts, the expected costs to be incurred and the time rendered to date. If the Group's estimates are not accurate this could negatively impact the Group's financial results.

Business combinations

Applying the acquisition method to business combinations requires an entity to measure each identifiable asset and liability at fair value. The excess, if any, of the fair value of the consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The purchase price allocation involves judgement with respect to the identification of intangible assets acquired and estimates of fair value for assets acquired and liabilities assumed, including pre-acquisition contingencies and contingent consideration. Changes in any of the assumptions or estimates used to determine the fair value of acquired assets and liabilities assumed, including pre-acquisition contingencies or contingent consideration, could affect the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

The Group makes estimates, assumptions, and judgments when valuing goodwill and other intangible assets in connection with the initial purchase price allocation of an acquired entity, in addition to evaluating the recoverability of goodwill and other intangible assets on an ongoing basis. These estimates are based upon a number of factors, including historical experience, market conditions, and information obtained from the management of acquired companies. Critical estimates in valuing certain intangible assets include, but are not limited to, historical and projected attrition rates, discount rates, anticipated revenue growth from acquired customers, acquired technology, and the expected use of the acquired assets. These factors are also considered in determining the useful life of acquired intangible assets. The amounts and useful lives assigned to identifiable intangible assets also impacts the amount and timing of future amortization expense.

Unanticipated events and circumstances may affect the accuracy or validity of such assumptions, estimates or actual results which could have a negative impact on the Group's financial results.

Impairment of goodwill and non-financial assets

The Group estimates value in use by discounting estimated future cash flows from the CGU or asset to its present value using a pre-tax discount rate reflecting a current market assessment of the time value of money and certain risks specific to the asset. Estimated cash flows are based on management's assumptions and business plans which are supported by internal strategies, plans and external information. The estimate of the recoverable amount for an asset or CGU requires significant estimates such as future cash flows and growth, terminal growth and discount rates.

Taxes

The ultimate realization of deferred tax assets is dependent upon future taxable income during the years in which these assets are deductible. A deferred tax asset is recognized to the extent that it is probable that the assets can be recovered based upon the probable timing and level of future taxable income together with future tax planning strategies. The Group regularly assesses all negative and positive evidence to evaluate the recoverability of its deferred tax assets including an evaluation of the nature and the amount of significant tax assets and their carry-forward period, the Group's recent earnings history, forecasts of future earnings and the Group's ability to reasonably forecast sufficient future earnings.

The Group accrues income and other tax provisions based on information currently available in each of the jurisdictions in which the Group operates. While the Group believes it has paid and provided for adequate amounts of tax, our business is complex and significant judgment is required in interpreting how tax legislation and regulations apply to the Group. The Group's tax filings are subject to audit by the relevant government revenue authorities and the results of the government audit could materially change the amount of our actual income tax expense, income tax payable or receivable, other taxes payable or receivable, and deferred income tax assets and liabilities and could, in certain circumstances, result in the assessment of interest and penalties.

6. Group Information

Details of the Group's consolidated subsidiaries at the end of the reporting period are as follows:

	Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)	
				2019	2018
1	TechInsights Inc.	Data and information products - technology & intellectual property	Canada	100	100
2	TechInsights Korea Co. Limited	Provides sales and marketing services	Korea	100	100
3	TechInsights Europe Limited	Provides sales and marketing services	United Kingdom	100	100
4	TechInsights Taiwan Limited	Provides sales and marketing services	Taiwan	100	100
5	TechInsights USA Inc.	Provides sales and marketing services	USA	100	100
6	TechInsights Japan KK	Provides sales and marketing services	Japan	100	100
7	TechInsights Europe Sp zoo	Technical reverse engineering services	Poland	100	100
8	Sanguine Microelectronics Corporation Limited	Inactive	British Virgin Islands	100	100
9	Sanguine Microelectronics (Shanghai) Co Limited	Inactive	China	100	100
10	Chipworks Limited	Inactive	Barbados	100	100

Additional Information:

Subsidiary	Comments
TechInsights Inc. (1)	On January 1, 2018, two inactive entities, TechInsights Canada Inc. (including the Taiwan and Korean Branches) and TLS Microelectronics Inc., amalgamated with TechInsights Inc.
TechInsights Korea Co. Limited (5)	In 2018 the subsidiary changed its legal name from Chipworks Korea Co. Limited to TechInsights Korea Co. Limited.
TechInsights Europe Limited (6)	In 2018 the subsidiary changed its legal name from Chipworks Europe Limited to TechInsights Europe Limited.
TechInsights USA Inc. (8)	On August 31, 2018, management completed the dissolution of Chipworks USA Holdings Inc. and any activity will be continued under TechInsights USA Inc.

Information about holding companies

Name	Relationship	Country
Oakley Capital Private Equity III (Fund III)	Ultimate controlling party	Bermuda
Maple Investco Limited	Parent	Bermuda
Maple Bidco Limited	Top company in the TechInsights Company	United Kingdom
AXIO TI Holdings Limited	Holding Company of TechInsights (Holdco Ltd)	United Kingdom
TechInsights (Holdco) Limited	Holding Company of AXIO Technical Intelligence Holdco Ltd	United Kingdom

Ultimate controlling company

The ultimate controlling party is Oakley Capital Private Equity III (Fund III).

Maple Investco Limited

Parent company to Maple Bidco Limited. It is a holding company registered in the Bermuda on 4 May 2017 and its registered address is Mintflower Place, 3rd Floor 8 Par La Ville Road. Hamilton. Bermuda. HM 08.

Maple Bidco Limited

Maple Bidco Limited is the top company in the TechInsights Group. It is a holding company registered in the United Kingdom on 4 May 2017 and its registered address is 3 Cadogan Gate, London, SW1X 0AS. It produces consolidated financial statements, which are available at the above address, and represents the highest level at which the Company's financial information is consolidated.

AXIO TI Holdings Limited

AXIO TI Holdings Limited, a holding company registered in the United Kingdom on 10 December 2015 and its registered address is 68 Lombard Street, London, EC3V 9LJ.

TechInsights (Holdco) Limited

TechInsights (Holdco) Limited, a holding company registered in the United Kingdom on 18 February 2013. It has a registered address of 68 Lombard Street, London, EC3V 9LJ.

7. Reconciliation of operating profit to underlying continuing EBITDA

The reconciliation of the operating profit from continuing operations per the Consolidated Statement of Profit and Loss to the EBITDA per the strategic report is as follows:

			2019 $000
	Consolidated Statement of Profit and Loss	**Other exceptional items (Note 11)**	**Underlying results for period ended 31 December**
Revenue	49,479	-	49,479
Operating profit	12,935	786	13,721
Depreciation	1,180	-	1,180
Amortization	1,913	-	1,913
EBITDA	16,028	786	16,814

			2018 $000
	Consolidated Statement of Profit and Loss	**Other exceptional items (Note 11)**	**Underlying results for period ended 31 December**
Revenue	51,820	-	51,820
Operating profit	12,235	1,585	13,820
Depreciation	545	-	545
Amortization	2,141	-	2,141
EBITDA	14,921	1,585	16,506

8. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	31 December 2019 **$000**	31 December 2018 $000
Fee for service revenue	**25,702**	31,600
Subscription revenue	**16,618**	12,865
Open-market report revenue	**4,595**	7,117
Membership revenue	**956**	238
IP program revenue	**1,608**	-
Total Revenue	**49,479**	51,820

Timing of revenue recognition:

	2019 **$000**	2018 $000
Goods and services transferred at a point in time	**4,595**	7,117
Goods and services transferred over time	**44,884**	44,703
	49,479	51,820

The group applies the practical expedient in paragraph 94 of IFRS 15 and recognises the incremental costs of obtaining contracts as an expense when incurred as the amortisation period of the assets that the group otherwise would have recognised is one year or less.

The group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

9. Common control transaction

There were no common control transactions in 2019 (2018: nil).

10. Business combinations

(i) Pythagoras LLC

On July 3 2019, TechInsights Inc., Canada acquired certain assets of Pythagoras LLC , a U.S. based software development company. The purchased assets primarily involve the transfer of key employees and includes the client list and related goodwill. The addition of a highly-qualified internal software team is expected to significantly accelerate the Group's product development strategy.

The purchase price was $0.4M and also includes annual contingent payments of $0.18M over the next 5 years based on the retention status of 2 key employees. The consideration paid of $0.4M is entirely allocated to goodwill as the Company assigns no value to assets acquired. The full amount of goodwill is expected to be tax deductible. In addition, acquisition costs are negligible and future contingent payments will be expensed as incurred.

11. Operating expenses, exception expenses and auditor's remuneration

	31 December 2019 $000	*31 December 2018 $000*
Employee costs	**(21,980)**	*(23,842)*
Depreciation of property, plan and equipment	**(1,180)**	*(545)*
Amortisation of intangible assets	**(1,913)**	*(2,141)*
Exceptional restructuring costs	**(786)**	*(1,585)*
Other operating expenses	**(10,728)**	*(11,806)*
Total expenses	**(36,587)**	*(39,919)*

Restructuring costs and acquisition costs are disclosed separately as exceptional items to better reflect the underlying performance of the Group. Included in the current year exceptional restructuring costs are mainly expenses relating to the restructuring of the Group legal and management structures.

	31 December 2019 $000	*31 December 2018 $000*
Auditor's remuneration		
Audit of these financial statements	**(120)**	*(130)*
Amounts receivable by the Group's auditor and its associates in respect of:		
• Tax compliance services	**(71)**	*(184)*
• Other services	**(99)**	*(188)*
Total Remuneration paid to Auditor and its affiliates	**(290)**	*(502)*

12. Net financing expense

Recognised in profit or loss

	31 December 2019 $000	*31 December 2018 $000*
Finance income		
Interest income	**26**	*35*
Total Finance Income	**26**	*35*
Finance expense		
Interest expense	**(5,552)**	*(4,187)*
Interest on lease liability	**(68)**	-
Net foreign exchange gain (loss) on financial instruments	**(212)**	*265*
Amortisation of issue costs	**(288)**	*(266)*
Gain (loss) on forward contracts	**536**	*(1,300)*
Finance charge expense	**(51)**	*(37)*
Total finance expense	**(5,635)**	*(5,525)*
Net finance expense recognised in profit or loss	**(5,609)**	*(5,490)*

13. Employee costs

	31 December 2019 $000	*31 December 2018 $000*
Employee costs (excluding director emoluments) comprise:		
Wages and salaries	**(18,988)**	*(20,954)*
Defined contribution pension cost	-	*(313)*
Social security contributions and similar taxes	**(2,992)**	*(2,575)*
	(21,980)	*(23,842)*

Redundancy costs of USD $1.1M (2018: $0.9M) are excluded from the above figures and instead presented within exceptional restructuring costs in the consolidated statement of profit and loss.

None of the directors were paid director emoluments by the Group during the period (2018: $nil).

14. Tax expense

14.1 Income tax recognised in profit or loss

	31 December 2019 $000	31 December 2018 $000
Current tax		
Current tax on profits for the year	**(2,041)**	(738)
Adjustments in respect of prior years	**(53)**	302
Withholding tax	**(61)**	(74)
Total current tax	**(2,155)**	(510)
Deferred tax expenses		
Origination and reversal of timing differences	**(365)**	(1,639)
Adjustments in respect of prior years	**11**	(83)
Total deferred tax	**(354)**	(1,722)
Total tax expense	**(2,509)**	(2,232)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	31 December 2019 $000	*31 December 2018 $000*
Income for the year	**4,817**	*4,513*
Income tax expense	**2,509**	*2,232*
Profit before income taxes	**7,326**	*6,745*
Tax using the Company's domestic tax rate of 19% (2018:19%)	**1,392**	*1,282*
Losses surrendered to other companies within tax grouping for nil consideration	**4**	*2*
Difference in tax rates between UK and foreign jurisdictions	**583**	*573*
Adjustments to tax charge in respect of prior periods	**42**	*(219)*
Change in timing differences not recognized	**(62)**	*176*
Non-deductible expense / Non-taxable income	**267**	*181*
Other taxes	**279**	*238*
Other	**4**	*(1)*
Total tax expense	**2,509**	*2,232*

Changes in tax rates and factors affecting the future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) were substantively enacted on 6 September 2016.

On December 22, 2017, the US Tax Cuts and Jobs Act of 2017 ("the Act") was signed into legislation. The Act includes a broad range of legislative changes including a reduction of the US federal corporate income tax rate from 35 per cent to 21 per cent effective January 1, 2018, limitations on the deductibility of interest, treatment of deferred foreign income upon transition for deemed repatriation, and 100 per cent expensing of qualified property.

14.2 Current tax assets and liabilities

	31 December 2019 $000	31 December 2018 $000
Current tax assets		
Corporation tax receivable	**200**	-
Current tax liabilities		
Corporation tax payable	**(599)**	(332)
	(399)	(332)

14.3 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	31 December 2019 $000	*31 December 2018* $000
Recognized deferred tax		
Deferred tax assets	**102**	114
Deferred tax liabilities	**(1,753)**	(1,411)
Net deferred tax liability	**(1,651)**	(1,297)

Deferred income tax assets are recognized for tax losses carried forward and deductible temporary differences to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred income tax assets of $0.5M (2018: $0.5M) have not been recognized in respect of tax losses carried forward amounting to $2.3M (2018: $1.5M) and because it is not probable that sufficient future taxable profit will be available against which the relevant Company entities can realize the benefits therefrom.

	Opening balance $000	Recognised in profit or loss $000	Closing balance $000
2019			
Property, plant and equipment	435	(217)	**218**
Intangible assets	(1,566)	426	**(1,140)**
Provisions	616	(588)	**28**
Other items	78	(87)	**(9)**
Tax losses carried forward	31	76	**107**
Investment tax credits	(890)	(6)	**(896)**
Right of use asset	-	(156)	**(156)**
Deferred lease obligation	-	197	**197**
Net deferred tax asset/(liability)	(1,296)	(355)	**(1,651)**

	Opening balance $000	Recognised in profit or loss $000	Closing balance $000
2018			
Property, plant and equipment	410	25	**435**
Intangible assets	(1,881)	315	**(1,566)**
Provisions	712	(96)	**616**
Deferred research and development costs	1,953	(1,953)	**-**
Other items	44	34	**78**
Tax losses carried forward	39	(8)	**31**
Investment tax credits	(851)	(39)	**(890)**
Net deferred tax asset/(liability)	426	(1,722)	**(1,296)**

15. Goodwill

	2019 $000	2018 $000
Cost	**14,569**	14,569
Addition	**400**	-
Carrying amount	**14,969**	14,569

	2019 $000	2018 $000
Cost		
At 1 January	**14,569**	14,569
Acquired through business combinations	**400**	-
At 31 December	**14,969**	14,569

There was goodwill recognized in 2019 of $0.4M from the acquisition of Pythagoras LLC. which was allocated to one cash generating unit (CGU) that benefited from the business combination. The CGU represents the one operating division of the Company.

The Company tests goodwill annually for impairment or more frequently if there are indications that *goodwill or intangible assets might be impaired.*

When testing for impairment, the recoverable amount for the Company's CGU is measured at its value in use by discounting the future expected cash flows from the assets in the CGU. This calculation uses cash flow projections based on Board approved budgets and management expectations. The year covered by the most recent financial budgets and forecasts approved by management is to the end of 2022. The forecast cash flows beyond this period are based on a projected annual growth rate of 2%.

The carrying amount of goodwill, and key assumptions used for value-in-use calculation are as follows:

	Carrying value	Pre-tax discount rate	Perpetuity growth rate
AXIO Technical Intelligence Holdco Limited	$15.0M	25%	2.0%

Based on the tests performed, no impairment has been recorded in 2019 (2018: $nil).

Key Assumptions:

- EBITDA cumulative annual growth over 5-year period is 7.1%
- Terminal growth rate is 2.0%
- Weighted-average cost of capital (WACC) is 25.0%

Sensitivities:

The measurement of value in use is sensitive to changes in the above key assumptions and in the assumptions about economic growth and market penetration that underpin the cash flow projections. Using the base case assumptions, there is headroom of $30.8M before an impairment is reached. Headroom disappears if EBITDA cumulative annual growth drops to -1% or if the WACC increases to 41.0%. In relation to the terminal growth rate assumption, management believes that there is no reasonably possible change in this assumption which would cause the available headroom to be used up in its entirety.

15.1 Allocation of goodwill to cash generating units

Goodwill is allocated to the Group's cash generating unit as follows:

	2019 **$000**	2018 $000
TechInsights Inc.	**14,969**	14,569
	14,969	14,569

TechInsights Inc.

For the purpose of the consolidated financial statements of AXIO Technical Intelligence Holdco Limited, management has allocated goodwill and performed impairment testing on single CGU, TechInsights Inc. This TechInsights Inc. represents the main operating segment of the consolidated company.

16. Intangible assets

	Internally generated software $000	Customer relationships $000	Data sets & Software $000	Brands $000	Total Intangible Assets $000
Cost					
At 1 January 2018	1,557	4,863	4,967	3,068	14,455
Additions	653	-	-	-	653
Impairment charge	(87)	-	-	-	(87)
Effects of movement in foreign exchange	-	(1)	-	-	(1)
At 31 December 2018	2,123	4,862	4,967	3,068	15,020
Additions	576	-	-	-	576
Disposals	(52)	-	-	-	(52)
At 31 December 2019	**2,647**	**4,862**	**4,967**	**3,068**	**15,544**
Amortization and impairment					
At 1 January 2018	(824)	(1,912)	(2,431)	(472)	(5,639)
Amortization charge for the year	(271)	(861)	(856)	(153)	(2,141)
Effects of movement in foreign exchange	2	1	-	-	3
At 31 December 2018	(1,093)	(2,772)	(3,287)	(625)	(7,777)
Amortization charge for the year	(358)	(708)	(694)	(153)	(1,913)
Disposals	52	-	-	-	52
At 31 December 2019	**(1,399)**	**(3,480)**	**(3,981)**	**(778)**	**(9,638)**
Net book value					
As at 31 December 2018	1,030	2,090	1,680	2,443	7,243
As at 31 December 2019	**1,248**	**1,382**	**986**	**2,290**	**5,906**

17. Property, plant and equipment

	Leasehold improvements	Machine and office equipment	Total
	$000	**$000**	**$000**
Cost			
At 1 January 2018	2,119	13,413	15,532
Additions	27	1,647	1,674
Disposals	(148)	(30)	(178)
Foreign exchange movements	-	(20)	(20)
At 31 December 2018	1,998	15,010	17,008
Additions	37	824	861
Disposals	-	(23)	(23)
At 31 December 2019	2,035	15,811	17,846
Accumulated depreciation and impairment			
At 1 January 2018	(1,136)	(12,405)	(13,541)
Charge owned for the year	(173)	(372)	(545)
Disposal	148	27	175
Exchange adjustments	19	1	20
At 31 December 2018	(1,142)	(12,749)	(13,891)
Charge owned for the year	(152)	(471)	(623)
Disposals	-	23	23
Exchange adjustments	19	(16)	3
At 31 December 2019	(1,275)	(13,213)	(14,488)
Net book value			
At 31 December 2018	856	2,261	3,117
At 31 December 2019	760	2,598	3,358

17.1 Impairment losses recognised in the year

No gain or impairment on sale of property, plant and equipment (2018: gain of $0.008M) was recognized in exceptional restructuring costs in the consolidated statement of profit or loss and other comprehensive income.

18. Right-of-use assets

The following table presents the right-of-use assets for the Company:

	Property	IT Equipment	Total
	$000	$000	$000
Balance at 1 January 2019	1,420	66	**1,486**
Additions	-	-	-
Depreciation charge for the year	(539)	(18)	**(557)**
Effects of movement in exchange rates	(6)	-	**(6)**
Balance at 31 December 2019	**875**	**48**	**923**

19. Trade and other receivables

	2019	2018
	$000	$000
Trade receivables	**9,352**	6,680
Less: provision for impairment of trade receivables	**(86)**	(97)
Trade receivables - net	**9,266**	6,583
Receivables from related parties	**105**	12
Prepayments and accrued income	**1,842**	3,109
Other receivables	**253**	134
Trade and other receivables	**11,466**	9,838
Investment tax credits (Note 21)	**2,462**	3,133

Movements in the impairment allowance for trade receivables are as follows:

	2019	2018
	$000	$000
At 1 January	**(97)**	(404)
Movements in the year	**(65)**	(55)
Impairment reversal	**43**	334
Receivables written off during the year as uncollectible	**(29)**	(35)
Recoveries	**62**	63
	(86)	(97)

20. Cash and cash equivalents

	2019 $000	2018 $000
Cash at bank and in hand	6,753	5,266
Deposits at call	-	-
	6,753	5,266

20.1 Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	2019 $000	2018 $000
Balances as above	6,753	5,266
Balances per statement of cash flows	6,753	5,266

20.2 Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See Note 4 for the group's other accounting policies on cash and cash equivalents.

20.3 Restricted cash

The cash and cahs equivalents diclosed above and in the statement of cash flows do not include amounts subject to restrictions.

21. Investment tax credits

Investment tax credits have been received for scientific research and experimental development expenses. These investment tax credits are non-refundable and can be applied to offset future income taxes otherwise payable.

	2019 $000	2018 $000
As at 1 January	3,133	2,758
Received during the year	389	674
Applied to offset taxes otherwise payable	(1,060)	(299)
At at 31 December	**2,462**	**3,133**

Investment tax credits have been received for scientific research and experimental development expenses. These investment tax credits are non-refundable and can be applied to offset future income taxes otherwise payable.

22. Investments

	2019	2018
	$000	$000
Current		
Investments (a)	**232**	220
Forward contracts (b)	**218**	-
Total current investments	**450**	220
Non-Current		
Investments (c)(d)	-	-
Total non-current investments	-	-
Total investments	**450**	220

(a) The Group holds a Guaranteed Investment Certificate (GIC) that carries interest at a fixed rate of 1.7% per annum (2018: 2%). The GIC has a maturity date of 13 November 2020. The asset is not considered impaired at the end of the reporting period. The carrying amounts (including accrued interest) of assets pledged as security for company's corporate credit card program. This financial asset is recorded at amortised cost.

(b) The Group holds foreign exchange forward contracts valued using the USD/CAD spot rate at December 31, 2019. Financial asset is at fair value through profit or loss.

(c) The Company holds less than 1% of the ordinary share capital of Grafoid Inc., a Canadian start-up company involved in developing uses for graphene. The Company does not exercise significant influence over Grafoid Inc. as it is not involved in the day-to-day operations of that company. The fair value of this equity investment is determined using a discounted cash flow projection. Grafoid has negative cash flow projections, as such is recorded at $nil (2018: an impairment recorded for USD $0.1M.. There is estimation uncertainty associated with determining the recoverable amount for the investment in Grafoid as it is a privately-held research and development company, has a net asset deficiency and is dependent on future financing's to continue to operate as a going concern. Financial asset is at fair value through profit or loss.

(d) The Company also holds 17,579 of ordinary share capital of Inventergy Global Inc., a Silicon Valley based intellectual property company dedicated to identifying, acquiring and licensing the patented technologies of market-significant technology leaders. Inventergy common stock was suspended on June 7, 2017 from trading on the NASDAQ. The Company determined that due to the financial difficulties of Inventergy that its AFS investment was impaired and recognized at $nil (2018: $nil). Financial asset is at fair value through profit or loss.

23. Loans and borrowings

	2019 $000	2018 $000
Non-current		
Bank loans - secured	**61,546**	62,596
	61,546	62,596
Current		
Bank loans - secured	**14**	650
	14	650
Total loans and borrowings	**61,560**	63,246

	Stellus Term Loan	***2019*** **31 December**
	(a)(b)	
At at 1 January	63,246	63,246
Amortization of issue costs	288	288
Interest expense	5,552	5,552
Interest payments	(5,538)	(5,538)
Principal repayments	(1,988)	(1,988)
Total interest-bearing loans and borrowings	61,560	61,560

	Stellus Term Loan	**2018** **31 December**
	(a)(b)	
At at 1 January	44,482	44,482
Notes issued during the period	26,250	26,250
Loan issue costs	(445)	(445)
Amortization of issue costs	266	266
Interest expense	4,187	4,187
Interest payments	(4,206)	(4,206)
Principal repayments	(7,288)	(7,288)
Total interest-bearing loans and borrowings	63,246	63,246

On October 2, 2018, the Company executed a first amendment to credit agreement where the Lenders provided an additional term loan to the TechInsights Inc. in the aggregate principal amount of $26,250,000.

a) Term Loan

A $65M (2018: $65M), 5-year term loan (the "term loan") due October 2, 2023 bearing interest at the LIBOR reference rate for each interest period, plus 6.0% (2018: 6.0%). The term loan includes an early repayment option (the "prepayment option") which provides for the early repayment of all or part of the outstanding principal and accrued interest, subject to early repayment terms and fees. In connection with securing the term loan, the Company incurred no additional costs (2018: $0.5M) in transaction costs.

Following initial recognition, the term loan was being recognized at amortized cost with an effective interest rate of 8.9% (2018: 8.9%). During the period to December 31, 2019, the Company made USD $2.0M in principal repayments (2018: $7.3M), which included USD $1.5M (2018: USD $7M) in early repayments under the prepayment option. Following decreases in the LIBOR reference rate, the effective rate decreased from 8.9% to 8.33% (2018: 8.2% to 8.39%) during the period. At December 31, 2019, the revised effective interest rate is 7.95% (2018: 8.81%).

100% of the equity in the subsidiaries of AXIO Technical Intelligence Holdco Limited, all owned real property and all registered intellectual property has been pledged as collateral to the loan.

The Credit Facility contains covenants that are customary for facilities of this nature. The credit facilities also impose certain financial covenants the Company must monitor, report and comply with each fiscal quarter. The Company was in compliance with all covenants contained in the Credit Facility as at December 31, 2019 and 2018.

b) Revolving commitment

A revolving commitment is available up to $1.5M and, if utilised, is due the earliest of (a) August 16, 2020 (extendable in one year-increments), (b) upon termination of the revolving commitment by the Company, and (c) upon default. The interest rate on the revolving commitment is equal to the LIBOR Reference Rate plus 6% (2018: 6.0%).

The Company is also required to pay a commitment fee on the revolving commitment at a rate per annum equal to (i) 0.50% times (ii) the actual average daily amount by which the available commitment exceeds the outstanding amount of revolving loans drawn down by the Company, payable quarterly on the last day of each calendar quarter.

The Company has designated the revolving commitment as a prepaid under trade and other receivables. The transaction costs of $0.09M allocated to the revolving commitment on a pro-rata basis, have been deferred and presented in Trade and Other Receivables asset on the Consolidated Statement of Financial Position. The transaction costs are being amortized rateably to net operating expense in the Consolidated Statement of Profit and Loss over the term of the revolving facility (3 years). The ending balance in Trade and Other Receivables is $0.04M (2018: $0.07M) at 31 December 2019.

During the period ended December 31, 2019 (2018: $nil), the Company made no drawdowns under the revolving commitment facility.

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

24. Trade and other payables

	2019 $000	2018 $000
Trade payables	**2,809**	3,884
Payables to related parties	**67**	17
Other payables and accrued expenses	**-**	158
Sales and payroll tax	**65**	44
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**2,941**	4,103
Less: current portion - trade payables	**(2,809)**	(3,884)
Less: current portion - payables to related parties	**(67)**	(17)
Less: current portion - other payables and accrued expenses	**-**	(57)
Less: current portion - sales and payroll tax	**(65)**	(43)
Total current portion	**(2,941)**	(4,001)
Total non-current position	**-**	102

25. Provisions

	2019 $000	2018 $000
At at 1 January	**2,297**	2,493
Additions	**361**	710
Release	**(2,297)**	(906)
Balance, end of year	**361**	2,297
Non-current	**-**	1,581
Current	**361**	716
	361	2,297

During the period ended December 31, 2019, the Company recorded a provision for severance in the amount of USD $0.4M (2018: USD $0.7M) which is expected to be realised over 2020. There are no contingent liabilities recorded in 2019.

26. Deferred revenue

	2019 $000	2018 $000
Balance at 1 January	**8,125**	6,358
Revenue recognised that was included in the contract liability balance at the beginning of the year	**(7,542)**	(6,358)
Revenue deferred as at December 31	**10,131**	8,125
Balance at December 31	**10,714**	8,125

Contract liability balances arise mainly when customers are invoiced up front for their subscription and the revenue is recognised over time. The remaining performance obligations are expected to be usually one year or less.

27. Financial instruments - fair values and risk management

27.1 Accounting classifications and fair values

Trade and other receivables, cash, investments, loans and borrowings and trade payables and provisions are measured at amortised cost. The carrying amounts of trade and other receivables, cash, investments, loans and borrowings and trade payables and provisions approximate fair market value due to the short-term maturity of these instruments. Forward contracts are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

27.2 Financial risk management objectives

Company Management is responsible for the risk management of the treasury activity. Treasury activity is principally concerned with the monitoring of operating liquidity, managing funding requirements related to the resolution of legacy issues and the monitoring and management of the rolling cash flow. The Company and its subsidiaries are governed by financial policies and procedures implemented for the whole of the Company. Information concerning the Company's exposure to interest rate risk, foreign currency risk, liquidity risk and credit risk is set out below.

The Company does not enter into such instruments for speculative purposes and only enters into forward contracts to manage its foreign exchange risk.

27.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, and derivative financial instruments. Due to the Company's operations commodity risk is not significant.

27.4 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2019	2018	**2019**	2018
	$000	$000	**$000**	$000
Canadian Dollar	**9,396**	6,777	**6,338**	6,264
Japanese Yen	**234**	186	**1,025**	666
Euro	**12**	-	**98**	416
Taiwan New Dollar	**2,257**	98	**714**	1,258
	11,899	7,061	**8,175**	8,604

Foreign currency sensitivity analysis

The Group is mainly exposed to the Canadian Dollar and the Japanese Yen. The Company trades in foreign currencies, principally in Japanese Yen and Euro with some collections of cash in Taiwan New Dollars. The Company's expenses are primarily denominated in CAD while revenues are weighted to its functional currency of USD. The Company has twelve open USD/CAD foreign exchange forward contracts place as at 31 December 2019 with an ending net asset position of USD $0.2M (2018: net liability of USD $0.9M). The Company does not apply hedge accounting in respect of these forward contracts.

The following table details the Group's sensitivity to a 10% increase and decrease in the US dollars against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the US dollars strengthens 10% against the relevant currency. For a 10% weakening of the US dollars against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	Effect on profit/(loss) before tax		Effect on capital and reserves	
	2019	2018	**2019**	2018
Canadian Dollar				
• 10% fall	**278**	47	**204**	34
• 10% rise	**(340)**	(57)	**(250)**	(42)
Japanese Yen				
• 10% fall	**(72)**	(44)	**(53)**	(32)
• 10% rise	**88**	53	**65**	39
Euro				
• 10% fall	**(8)**	(40)	**(6)**	(29)
• 10% rise	**10**	48	**7**	36
Taiwan New Dollar				
• 10% fall	**140**	(105)	**103**	(78)
• 10% rise	**(171)**	129	**(126)**	95

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company earns revenue and undertakes purchase transactions in foreign currencies, and therefore is subject to gains and losses due to fluctuations in the foreign currencies. The Company manages its exposure to changes in the Canadian/U.S. exchange rate on anticipated expenses and debt payments by buying forward U.S. dollars at fixed rates in future periods. As at December 31, 2019, the Company held 12 (2018: 12) foreign exchange forward purchase agreements maturing on a monthly basis to December 2019 (2018: December 31, 2018) for a notional amount of USD $12.9M (2018: $13.4M). These agreements fix the amount of Canadian dollars that the Company will pay to buy USD to offset its purchases in USD and the rates entered into range from 1.2975 to 1.3365 (2018: 1.2203 to 1.3032). Total realized foreign exchange losses during period ended December 31, 2019 on foreign exchange transactions were USD $0.6M (2018: $0.4M). The unrealized gain on forward contracts during the period ended December 31, 2019 were USD $1.2M (2018: unrealized loss $0.9M).

27.5 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because the entities in the Group borrow funds with both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a variable LIBOR interest rate adjustment to the borrowings.

Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points		**Effect on profit/(loss) before tax**	
Interest-bearing loans and borrowings	**2019**	2018	**2019**	2018
Impact of Libor + 50bps in December 2019	**238**	182	**(324)**	(248)
Impact of Libor + 100bps in December 2019	**476**	365	**(647)**	(496)
Impact of Libor - 50bps in December 2019	**(238)**	(182)	**324**	248
Impact of Libor - 100bps in December 2019	**(476)**	(365)	**647**	496

27.6 Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Credit risk is managed on a Company basis. Credit risk arises principally from credit exposure to customers including committed transactions and outstanding receivables but also from cash and cash equivalents and deposits with banks and financial institutions. The Company reviews its banking arrangements carefully to minimize such risks. The maximum credit risk associated with the Company's financial instruments and cash deposits is equal to their carrying amount.

Trade and other receivables

Customer credit risk is managed by each business unit in accordance with the Company's established policy, procedures and controls relating to customer credit management. Credit limits are established for all customers and are based inter alia on bank references and credit checks. Outstanding customer receivables are regularly monitored.

Concentrations of credit risk with respect to trade receivables are limited due to the Company's customer base being large and unrelated and cash being generally received in advance for subscription and event revenues. The maximum credit risk associated with the Company's trade receivables is equal to their carrying amount.

Refer to Note 19 movements in the impairment allowance for trade receivables.

The following table outlines the aging of trade and other receivables as at 31 December:

	2019 **$000**	**2018** **$000**
Current	**5,835**	5,002
1-30 days	**1,563**	860
31-60 days	**967**	301
61-90 days	**171**	141
91-120 days	**117**	297
121-150 days	**209**	13
151-180 days	**151**	33
181-365 days	**336**	5
>365 days	**-**	28
Total gross trade and other receivables	**9,349**	6,680
Less: allowance for doubtful accounts	**(86)**	(97)
Total trade and other receivables, net	**9,263**	**6,583**

	2019 **$000**	**2018** **$000**
Asia	**3,965**	1,779
Europe	**1,048**	966
North American	**4,336**	3,935
Total Trade Receivables	**9,349**	6,680

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for all customers as the Company considers all customers to have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than 180 days and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 27.1. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. There has been no siginificant increase in credit risk in 2019.

Set out below is the information about the credit risk exposure on the Company's trade receivables and using a provision matrix:

	Days past due					
	Current	**<30 days**	**31-60 days**	**61-90 days**	**>91 days**	**Total**
Expected credit loss rate	0.10 %	0.16 %	0.39 %	0.69 %	1.29 %	
Estimated total gross carrying amount at default (000s)	5,835	1,563	967	171	813	9,349
Expected credit loss (000s)	6	3	4	1	10	24

In addition to the expected credit losses above, the Group recorded an additional allowance to for specific customer accounts where there is reasonable and supportable information that indicated additional credit risk exists. Therefore, it has been reflected in the ending allowance balance of USD $0.09M (2018: $0.10M).

27.7 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Company Management evaluates the Company's actual and expected cash flows on a monthly basis to ensure that the Company continues as a going concern. The loan maturity profile, based on contractual undiscounted cash flows, of the Company is disclosed below.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Carrying Amount $000	Total $000	1-3 months $000	3-12 months $000	1-2 years $000	2-5 years $000	More than 5 years $000
31 December 2019							
Loans and borrowings (interest and principal)	61,560	85,745	1,263	3,817	8,212	72,453	-
Trade payables and other liabilities	2,941	2,940	2,940	-	-	-	-
Provisions	361	361	120	241	-	-	-
	64,862	89,046	4,323	4,058	8,212	72,453	-

	Carrying Amount $000	Total $000	1-3 months $000	3-12 months $000	1-2 years $000	2-5 years $000	More than 5 years $000
31 December 2018							
Loans and borrowings (interest and principal)	63,246	91,195	1,559	4,761	6,247	78,628	-
Trade payables and other liabilities	4,103	4,103	3,959	42	102	-	-
Provisions	2,297	2,297	342	374	305	1,276	-
	69,646	97,595	5,860	5,177	6,654	79,904	-

The following table details the Group's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

	1-3 months $000	3-12 months $000	1-2 years $000	2-5 years $000	More than 5 years $000
31 December 2019					
Net settled:					
• foreign exchange forward contracts	(55)	(163)	-	-	-
	(55)	(163)	-	-	-

	1-3 months $000	3-12 months $000	1-2 years $000	2-5 years $000	More than 5 years $000
31 December 2018					
Net settled:					
• foreign exchange forward contracts	304	631	-	-	-
	304	631	-	-	-

27.8 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and liabilities.

The fair value of cash, trade and other receivables, investments (12-month GIC investment), and trade and other payables approximates their carrying amount due to the relatively short-term maturities of these instruments.

The fair value of interest-bearing loans and borrowings approximates their carrying amounts as these liabilities are variable rate loans. Preference shares approximates their carrying amounts and have a fixed interest rate of 12%.

Specific valuation technique is used to value financial instrument includes derivative financial instruments entered by the Company with counterparties, principally financial institutions with investment grade credit ratings. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date.

Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used):

Financial assets/liabilities	Fair value at year end		Fair value hierarchy	Valuation technique(s) and key input(s)
	2019	2018		
Foreign exchange forward contracts - CAD dollars	218	(935)	Level 2	fair value through profit or loss; CAD to USD spot rate at December 31

28. Lease liabilities

The Group's leases are for real estate and office space. Future cash flows from potential extensions and terminations cannot be reasonably identified.

The following table presents the Company's lease obligations and the contractual undiscounted cash flows for lease obligations:

	31 December 2019 $000
Maturity analysis - contractual undiscounted cash flows	
Less than one year	420
One to five years	673
More than five years	-
Total undiscounted lease liabilities	**1,093**
Current	429
Non-current	658
Lease liabilities included in the statement of financial position	**1,087**

Amounts recognized in profit or loss

	31 December 2019 $000
Interest on lease liabilities	68
Expenses relating to short-term leases	96
Variable lease payments for operating costs, property taxes, and insurance	556
	720

Amounts recognized in the statement of cash flows

	31 December 2019 $000
Total cash outflow for leases	1,277

29. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

29.1 Transactions with key management personnel

Key management personnel are comprised of people who served as directors of the Company during the period.

The remuneration (excluding emoluments) of the directors of key management personnel during the year was as follows:

	2019	*2018*
	$000	*$000*
Short-term benefits	**820**	*968*
Post-employment benefits	**4**	*13*
Termination benefits	**-**	*142*
	824	*1,123*

Emoluments for key management personnel are disclosed in Note 13 and other transactions are disclosed within this note.

29.2 Other related party transactions

Other related party receivables or payables are as follows:

Related party relationship	**Type of transaction**	**Transaction amount**		**Balance owed**	
		2019	**2018**	**2019**	**2018**
		$000	**$000**	**$000**	**$000**
Maple Bidco Limited	Management fees	(496)	(431)	-	(17)
AXIO TI Holdings Limited	Recharge costs	-	12	-	12
		(496)	**(419)**	**-**	**(5)**

The sales to and purchases from related parties above are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at 31 December 2019 are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the years ended 31 December 2019 and 2018, no impairment charge was recognized relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

30. Capital management

For the purposes of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

In order to achieve these overall objectives, the Group's capital management, amongst other things, aims to ensure that it meets covenants and obligations attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has honoured its obligations related to its interest bearing loans and borrowings in the current year.

Management assess the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	Note	2019 $000	*2018* *$000*
Interest-bearing loans and borrowings	23	61,560	*63,246*
Trade and other payables	24	2,941	*4,103*
Provisions	25	361	*2,297*
Less: cash		(6,753)	*(5,266)*
Net debt		58,109	*64,380*
Share capital	32	460	*860*
Merger reserve	33	(23,201)	*(23,201)*
Foreign currency translation reserve	33	2,826	*2,818*
Profit and loss reserve	33	(12,708)	*(17,423)*
Capital		(32,623)	*(36,946)*
Capital and net debt		25,486	*27,434*
Gearing ratio		228 %	*235 %*

31. Capital commitments

At 31 December 2019 (2018: $nil) the Group had no commitments for capital expenditure.

32. Share capital

Authorised

	2019 Number	2019 $000	*2018 Number*	*2018 $000*
Shares treated as equity				
Ordinary shares of £0.00001 each	**10,000,000**	**1**	*10,000,000*	*1*
A Ordinary shares of $1 each	**858,758**	**859**	*858,758*	*859*
	10,858,758	**860**	*10,858,758*	*860*

Issued and fully paid

	2019 Number	2019 $000	*2018 Number*	*2018 $000*
Ordinary shares of £0.00001 each				
At 1 January	**10,000,000**	**1**	*10,000,000*	*1*
At 31 December	**10,000,000**	**1**	*10,000,000*	*1*
A Ordinary shares of $1 each				
At 1 January	**858,758**	**859**	*-*	*-*
Shares issued	**-**	**-**	*858,758*	*859*
Capital reduction	**(400,000)**	**(400)**	*-*	*-*
At 31 December	**458,758**	**459**	*858,758*	*859*

33. Reserves

Share premium

	$000
As at 1 January 2018	16,991
Capital reduction (a)	(16,991)
Balance at 31 December 2018	-
Balance at 31 December 2019	-

Merger reserve

The merger reserve is used to record gains and losses arising from restructuring executed by the Company.

	$000
As at 1 January 2018	(18,917)
Capital reduction (a)	(3,428)
Share capital issued for reorganisation of subsidiaries	(859)
Balance at 31 December 2018	(23,204)
Balance at 31 December 2019	(23,204)

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	$000
As at 1 January 2018	2,853
Other comprehensive income	(35)
Balance at 31 December 2018	2,818
Other comprehensive income	8
Balance at 31 December 2019	2,826

Profit and loss reserve

	$000
As at 1 January 2018	(13,997)
Dividends paid to parent company	(28,358)
Capital reduction (a)	20,419
Profit for the year	4,513
Balance at 31 December 2018	(17,423)
Dividends paid to parent company	(502)
Capital reduction (a)	400
Profit for the year	4,817
Balance at 31 December 2019	(12,708)

(a) In October 2018 and October 2019 the Company carried out a capital reduction process in order to convert its share capital and/or share premium and merger reserves to distributable reserves.

34. Events after the reporting date

In March 2020, the Group drew $1.5M under its revolving credit facility to increase its cash position and preserve financial flexibility in light of current uncertainty in business conditions due to the COVID-19 global pandemic.

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 $000	31 December 2018 $000
Finance income	7	**547**	26
Operating expenses	8	**(2)**	(39)
Profit from operations		**545**	(13)
Net financing expense	9	**(1,937)**	(425)
Profit before tax		**(1,392)**	(438)
Tax credit/(expense)	11	**(27)**	-
Profit for the year		**(1,419)**	(438)
Total comprehensive income		**(1,419)**	(438)

The accompanying notes on page 76 - 94 are an integral part of the Company financial statements.

AXIO TECHNICAL INTELLIGENCE HOLDCO LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 $000	2018 $000
Assets			
Non-current assets			
Investments in subsidiaries	12	**24,664**	24,768
Current assets			
		-	-
Total assets		**24,664**	24,768
Liabilities			
Non-current liabilities			
Current liabilities			
Trade and other liabilities	14	**24,258**	22,441
Total liabilities		**24,258**	22,441
Net assets		**406**	2,327
Issued capital and reserves			
Share capital	18	**460**	860
Foreign currency translation reserve		**343**	343
Retained earnings	19	**(397)**	1,124
Total equity		**406**	2,327

The accompanying notes on pages 76 - 94 were approved and authorised for issue by the board of directors and were signed on its behalf by:

....

Andrew Millen
Director
Date: 28 April 2020

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital $000	Share premium $000	Merger reserve $000	Foreign currency translation reserve $000	Retained earnings $000	Total equity $000
At 1 January 2018	**1**	**16,991**	**2,651**	**343**	**9,502**	**29,488**
Profit for the period	-	-	-	-	(438)	(438)
Total comprehensive income for the year	-	-	-	-	(438)	(438)
Dividends distributed to parent (Note 19)	-	-	-	-	(28,358)	(28,358)
Issue of ordinary shares (Note 18)	859	-	-	-	-	859
Capital reduction (Note 19)	-	(16,991)	(3,427)	-	20,418	-
Share capital issued for reorganization of subsidiaries (Note 19)	-	-	776	-	-	776
Total contributions by and distributions to owners	859	(16,991)	(2,651)	-	(7,940)	(26,723)
At 31 December 2018	**860**	**-**	**-**	**343**	**1,124**	**2,327**
At 1 January 2019	860	-	-	343	1,124	2,327
Profit for the year	-	-	-	-	(1,419)	(1,419)
Total comprehensive income for the year	-	-	-	-	(1,419)	(1,419)
Capital reduction (Note 19)	(400)	-	-	-	400	-
Dividends distributed to parent (Note 19)	-	-	-	-	(502)	(502)
Total contributions by and distributions to owners	(400)	-	-	-	(102)	(502)
At 31 December 2019	**460**	**-**	**-**	**343**	**(397)**	**406**

The accompanying notes on pages 76 - 94 are an integral part of the Company financial statements.

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $000	2018 $000
Cash flows from operating activities			
Profit for the year		(1,419)	(438)
		(1,419)	(438)
Adjustments for			
Net finance expense		1,937	425
Income tax expense	11	27	-
		545	(13)
Movements in working capital:			
Increase/(decrease) in trade and other receivables		-	375
Increase/(decrease) in trade and other payables		(2,274)	(2)
Cash generated from operations		(1,729)	360
Income taxes paid		(27)	-
Net cash from operating activities		(1,756)	360
Cash flows from investing activities			
Cash inflow reducing investment in subsidiaries		-	6,000
Net cash used in investing activities		-	6,000

	Note	2019 $000	*2018 $000*
Cash flows from financing activities			
Proceeds from loan note with related party		2,258	*21,998*
Dividends paid to the holders of the parent		(502)	(28,358)
Net cash (used in)/from financing activities		1,756	(6,360)
Net cash increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of year		-	-
Exchange loss on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		-	-

The accompanying notes on pages 76 - 94 are an integral part of the Company financial statements.

1. Reporting entity

AXIO Technical Intelligence Holdco Limited (the 'Company') is a limited company incorporated on 5 April 2016 in the United Kingdom and is registered in England and Wales. The Company is a holding company which provides financing to its subsidiaries. These subsidiaries are market-leading information businesses providing data and information products and services which professionals within the technical intelligence sector use to support their decision-making and day-to-day business activities.

2. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) as adopted by the EU ("Adopted IFRSs). They were authorised for issue by the Company's board of directors on 28 April 2020.

Details of the Company's accounting policies, including changes during the year, are included in Note 4.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 5.

Going Concern

The Company had net assets of USD $0.4M (2018: $2M) as at 31 December 2019. The board has reviewed the liquidity position of the Company. In particular, the board has reviewed forecasts up until 31 December 2021 for EBITDA and cash flows after servicing significant financial liabilities as a consolidated group. As a result of this review, the board is of the view that the going concern assumption is appropriate and as such the financial statements have been prepared on this basis.

2.1. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Trade and other receivables	Amortised cost
Trade and other liabilities	Amortised cost
Loans and borrowings	Amortised cost

2.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 January 2018

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, which specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, and a lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. Early adoption is permitted if IFRS 15 has also been adopted. The Company does not enter into any lease contracts and so the impact of this new standard are expected to be nil.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. The Company is in the process of evaluating the impact of IFRIC Interpretation 23 on the Company financial statements.

ii) New standards, interpretations and amendments not yet effective

The group has not early-adopted any standard, interpretation, or amendment that was issued but is not yet effective.

3. Functional and presentation currency

These financial statements are presented in US dollars, which is the Company's functional currency. All amounts have been rounded to the nearest hundred thousand, unless otherwise indicated.

4. Accounting policies

4.1 Foreign currency

In preparing the financial statements of the entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4.2 Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value.

4.3 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

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

4.4 Financial assets

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

All recognised financial assets are subsequently measured in their entirety at amortised cost.

(i)Impairment of financial assets

The Company measures a loss allowance based on the lifetime expected credit losses. Lifetime expected credit losses are estimated based on factors such as the Company's past experience of collecting payments, the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables, financial difficulty of the borrower, and it becoming probable that the borrower will enter bankruptcy or financial reorganization.

Financial assets are written off when there is no reasonable expectation of recovery.

(ii) Derecognition of financial assets

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

4.5 Financial liabilities and equity instruments

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets the cash-generating unit ("CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in Profit and Loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been recognized previously.

4.7 Finance income

(i) Management fees

Management fees are paid by a subsidiary under common control. They are recognised in the accounting period in which the services are rendered.

(ii) Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income form a financial asset is recognised when it is possible that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.8 Taxation

Current tax for the current and prior years is recognized, to the extent unpaid, as a liability at the amount expected to be paid to the taxation authorities. The tax liabilities are measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition [other than in a business combination] of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Current tax expense and deferred tax expense are recognized in profit and loss except to the extent they arise from a transaction or event recognized in other comprehensive income or directly in equity. Any such tax expense is recognized in other comprehensive income or in equity respectively.

4.9 Offsetting financial assets and liabilities

The Company offsets financial assets and financial liabilities and present the net amount on the Company Statements of Financial Position when we have a legal right to offset them and intend to settle on a net basis or realize the asset and liability simultaneously.

4.10 Share capital

Share capital issued by the Company is recorded at the fair value of the proceeds received net of direct issue costs. Where any Company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects are included in equity attributable to the owners of the Company.

Ordinary shares of the Company are classified as equity. Mandatory redeemable preference shares and other classes of share where an obligation exists to transfer economic benefits are classified as liabilities.

Treasury shares are presented in the balance sheet as a deduction from equity, and the acquisition of treasury shares should be presented in the financial statements as a change in equity.

5. Accounting estimates and judgements

5.1 Estimates and assumptions

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Impairment assessment of investments

The carrying amounts of the Company's non-financial assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

The Company estimates value in use by discounting estimated future cash flows from the CGU or asset to its present value using a pre-tax discount rate reflecting a current market assessment of the time value of money and certain risks specific to the asset. Estimated cash flows are based on management's assumptions and business plans which are supported by internal strategies, plans and external information. The estimate of the recoverable amount for an asset or CGU requires significant estimates such as future cash flows and growth, terminal growth and discount rates.

Taxes

The ultimate realization of deferred tax assets is dependent upon future taxable income during the years in which these assets are deductible. A deferred tax asset is recognized to the extent that it is probable that the assets can be recovered based upon the probable timing and level of future taxable income together with future tax planning strategies. The Company regularly assesses all negative and positive evidence to evaluate the recoverability of its deferred tax assets including an evaluation of the nature and the amount of significant tax assets and their carry-forward period, the Company's recent earnings history, forecasts of future earnings and the Company's ability to reasonably forecast sufficient future earnings.

6. Company information

Details of the Company's subsidiaries at the end of the reporting period are as follows:

	Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%) 2019	2018
1	AXIO TI Holdings Limited	Holding Company	United Kingdom	100	100
2	TechInsights (Holdco) Limited	Holding Company	United Kingdom	100	100
3	AXIO Technical Intelligence Holdco Ltd	Holding Company	United Kingdom	100	100
4	TechInsights Inc.	Data and information products - technology & intellectual property	Canada	100	100
5	TechInsights Korea Co. Limited	Provides sales and marketing services	Korea	100	100
6	TechInsights Europe Limited	Provides sales and marketing services	United Kingdom	100	100
7	TechInsights Taiwan Limited	Provides sales and marketing services	Taiwan	100	100
8	TechInsights USA Inc.	Provides sales and marketing services	USA	100	100
9	TechInsights Japan KK	Provides sales and marketing services	Japan	100	100
10	TechInsights Europe Sp zoo	Technical reverse engineering services	Poland	100	100
11	Sanguine Microelectronics Corporation Limited	Inactive	British Virgin Islands	100	100
12	Sanguine Microelectronics (Shanghai) Co Limited	Inactive	China	100	100
13	Chipworks Limited	Inactive	Barbados	100	100

Additional Information:

Subsidiary	Comments
AXIO TI Holdings Limited (1)	Directly held by Maple Bidco Limited. AXIO TI Holdings Limited, a holding company registered in the United Kingdom on 10 December 2015 and its registered address is 68 Lombard Street, London, EC3V 9LJ.
TechInsights Inc. (4)	On January 1, 2018, two inactive entities, TechInsights Canada Inc. (including the Taiwan and Korean Branches) and TLS Microelectronics Inc., amalgamated with TechInsights Inc.
TechInsights Korea Co. Limited (5)	In 2018 the subsidiary changed its legal name from Chipworks Korea Co. Limited to TechInsights Korea Co. Limited.
TechInsights Europe Limited (6)	In 2018 the subsidiary changed its legal name from Chipworks Europe Limited to TechInsights Europe Limited.
TechInsights USA Inc. (8)	On August 31, 2018, management completed the dissolution of Chipworks USA Holdings Inc. and any activity will be continued under TechInsights USA Inc.

Information about holding companies

Name	Relationship	Country
Oakley Capital Private Equity III (Fund III)	Ultimate controlling party	Bermuda
Maple Investco Limited	Parent	Bermuda

Ultimate controlling company

The ultimate controlling party is Oakley Capital Private Equity III (Fund III).

Maple Investco Limited

Parent company to Maple Bidco Limited. It is a holding company registered in the Bermuda on 4 May 2017 and its registered address is Mintflower Place, 3rd Floor 8 Par La Ville Road. Hamilton. Bermuda. HM 08.

7. Finance income

The following is an analysis of the Company's revenue for the year from continuing operations:

	31 December 2019 $000	31 December 2018 $000
Dividend income from company under common control (Note 16)	**547**	-
Interest income from company under common control (Note 16)	**-**	26
	547	26

8. Auditors' remuneration and exceptional items

	31 December 2019 $000	31 December 2018 $000
Other operating expenses	**(2)**	(39)
Total expenses	**(2)**	(39)

Restructuring costs and acquisition costs (if any) are disclosed separately as exceptional items to better reflect the underlying performance of the Company.

	31 December 2019 $000	31 December 2018 $000
Auditors' remuneration		
Audit of these financial assets	-	(10)
Amounts receivable by the Group's auditor and its associate in respect of:		
• Tax compliance services	-	(12)
Total remuneration paid to Auditor and its affiliates	-	(22)

In 2019, auditor remuneration fees were charged at the shareholder level.

9. Net financing expense

Recognised in profit or loss

	Note	**31 December 2019 $000**	31 December 2018 $000
Net financing expense			
Interest expense loan notes	16	**(1,937)**	(425)
Net financing expense recognised in profit or loss		**(1,937)**	(425)

10. Directors' emoluments

None of the directors were paid by the Company during the period (2018: $nil)

11. Tax expense

11.1 Income tax recognised in profit or loss

	31 December 2019 $000	31 December 2018 $000
Current tax		
Current tax on profits for the year	**(27)**	-
Adjustments in respect of prior years	**-**	-
Total current tax	**(27)**	-
Tax credit/(expense)	**(27)**	-

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	31 December 2019 $000	31 December 2018 $000
Profit for the year	**(1,419)**	(438)
Income tax expense	**27**	-
Profit before income taxes	**(1,392)**	(438)
Tax using the Company's domestic tax rate of 19% (2018: 19%)	**(264)**	(83)
Adjustments to tax charge in respect of prior periods	**-**	-
Non-taxable expenses/(income)	**75**	81
Change in temporary differences not recognized	**185**	-
Losses surrendered to other companies within tax group for nil consideration	**4**	2
Other taxes	**27**	-
Total tax expense	**27**	-

Changes in tax rates and factors affecting the future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) were substantively enacted on 6 September 2016.

12. Investment in subsidiaries

	2019 $000	2018 $000
Cost		
At 1 January	**24,768**	29,133
Additions	**-**	1,635
Deductions	**(104)**	(6,000)
As at 31 December	**24,664**	24,768
Carrying amount		
At 1 January	**24,768**	29,133
Additions	**-**	1,635
Deductions	**(104)**	(6,000)
As at 31 December	**24,664**	24,768

In 2019, the wholly owned subsidiary TechInsights Inc. returned share capital of $0.1M (2018: $6M) in exchange for a reduction in carrying value of the Company's investment in TechInsights. During 2018, this same subsidiary issued additional shares USD $1.6M to the Company to acquire 100% ownership of the following subsidiaries: TechInsights Europe Sp zoo, TechInsights USA Inc. and TechInsights Japan Inc. The investments were not deemed impaired as of 31 December 2019 (31 December 2018: $nil).

The investment in subsidiaries relate to the following:

Name	Principal activities	Country of incorporation	% Equity interest	Share class
TechInsights Inc.	Data and information products - technology & intellectual property	Canada	100 %	Ordinary
Sanguine Microelectronics Corporation Limited	Inactive	British Virgin Islands	100 %	Ordinary
TechInsights USA Inc.	Provide sales and marketing services	USA	100 %	Ordinary
TechInsights Japan KK	Provide sales and marketing services	Japan	100 %	Ordinary
TechInsights Europe Sp zoo	Provide sales and marketing services	Poland	100 %	Ordinary

Impairment testing

The Company tests each investment in subsidiary for impairment on an annual basis or more frequently if there are indicators of impairment.

As at 31 December 2019, the underlying cash flows expected to be received from each of the subsidiaries are in excess of the carrying amount of the investment, and therefore no impairment is required (2018: $nil).

13. Trade and other receivables

As at 31 December 2019, the Company does not have any receivables outstanding.

The Company does not hold any collateral as security.

14. Trade and other payables

	2019 $000	2018 $000
Payables to related parties (Note 16)	**24,258**	22,441
Total financial liabilities	**24,258**	22,441
Less: *current portion - payables to related parties*	**(2)**	(443)
Total current portion	**(2)**	(443)
Total non-current position	**24,256**	21,998

15. Financial instruments - fair values and risk management

15.1 Accounting classifications and fair values

Trade and other receivables, trade and other liabilities and loans and borrowings are measured at amortized cost. Their carrying amount is a reasonable approximation of fair value.

15.2 Financial risk management objectives

Company Management is responsible for the risk management of the treasury activity. Treasury activity is principally concerned with the monitoring of operating liquidity, managing funding requirements related to the resolution of legacy issues and the monitoring and management of the rolling cash flow. The Company and its subsidiaries are governed by financial policies and procedures implemented for the whole of the Company. Information concerning the Company's exposure to foreign currency risk, credit risk, and liquidity risk is set out below.

The Company does not enter into such instruments for speculative purposes and only enters into forward contracts (if any) to manage its foreign exchange risk.

15.3 Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's financing activities (when finance revenue or expenses are denominated in a different currency to the Company's presentation currency) and to the translation of the Company's monetary assets and liabilities at balance sheet date (when monetary assets or liabilities are denominated in a different currency from the Company's presentation currency). As the majority of the Company's transactions are denominated and settled in US dollars there isn't a significant foreign currency risk.

15.4 Credit risk management

Trade and other receivables

Concentration of credit risk with respect to trade and other receivables is limited due to the balance being predominantly comprised of balances with related parties. These balances are managed in accordance with the Company's established policy, procedures and controls relating to related party balances. All balances are monitored and regularly reviewed for recoverability; with impairment recorded where recovery is not probable. The maximum credit risk relating to these balances is equal to their carrying amounts as set out above.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. Expected credit losses at 31 December 2019 is $nil (2018: $nil).

15.5 Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Company Management evaluates the Company's actual and expected cash flows on a monthly basis to ensure that the Company continues as a going concern. The loan maturity profile, based on contractual undiscounted cash flows, of the Company is disclosed below.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Carrying amount $000	Total $000	1-3 months $000	3-12 months $000	1-2 years $000	2-5 years $000	More than 5 years $000
31 December 2019							
Trade payables and other liabilities (including principal and interest)	24,258	38,181	-	2,615	2,109	33,457	-
	24,258	38,181	-	2,615	2,109	33,457	-
31 December 2018							
Trade payables and other liabilities (including principal and interest)	22,441	36,364	18	2,413	1,993	31,940	-
	22,441	36,364	18	2,413	1,993	31,940	-

15.6 Fair value measurements

The fair value of trade and other receivables, trade and other liabilities and loans and borrowings approximates their carrying amount due to the relatively short-term maturities of these instruments.

16. Related party transactions

Balances and transactions between the Company and its related parties are disclosed below.

16.1 Loans to related parties

								2019 $000
	Principal at 1 Jan	Loans given	Interest receivable	Interest receipts	Principal receipts	FX gain	Interest at 31 Dec	Principal at 31 Dec
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total receivables	-	-	-	-	-	-	-	-

								2018 $000
	Principle at 1 Jan	Loans given	Interest receivable	Interest receipts	Principal receipts	FX gain	Interest at 31 Dec	Principal at 31 Dec
TechInsights USA Inc.	375	-	26	(26)	(375)	(2,258)	-	-
	-	-	-	-	-	-	-	-
Total receivables	375	-	26	(26)	(375)	(2,258)	-	-

There were no loands to related parties during 2019.

16.2 Loans from related parties

								2019 $000s
	Principal at 1 Jan	Loans received	Interest payable	Interest repayments	Principal repayments	FX gain (loss)	Interest at 31 Dec	Principal at 31 Dec
TechInsights Inc. (a)	(21,998)	-	(2,258)	-	-	-	(1,937)	(24,258)
Total payables	-	-	-	-	-	-	-	-

								2018 $000s
	Principal at 1 Jan	Loans received	Interest payable	Interest repayments	Principal repayments	FX gain (loss)	Interest at 31 Dec	Principal at 31 Dec
TechInsights Inc. (a)	-	(21,998)	(425)	-	-	-	(425)	(21,998)
Total payables	-	-	-	-	-	-	-	-

(a) On 10 October 2018, the Company issued USD $21,997,954 Unsecured Loan Notes 2025 ("Initial Issue") to TechInsights Inc. These loans are repayable on 31 December 2025. Interest is charged at the LIBOR reference rate for each "Interest Period", plus 6.1%. The "Interest Period" means the period from and including the date of this Instrument up to and including 12 January 2019 and thereafter the period from and including 13 January 2019 up to and including 31 December 2019 and thereafter the date falling 12 months after 31 December 2019 and each period of 12 months thereafter.

The Initial Issue forms part of a programme of loan notes to be issued by the Company up to a potential total principal amount (including the Initial Issue) of USD $31,997,954. These Loan Notes are listed on the BSX.

16.3 Transactions with key management personnel

Key management personnel are comprised of people who served as directors of the Company during the peirod. There were no transactions or emoluments to the directors of the Company (2018: $nil).

16.4 Other related party transactions

Related party relationship	Type of transaction	Transaction amount		Balance owed	
		2019	2018	2019	2018
		$000	$000	$000	$000
Maple Bidco Limited	Recharge costs	(2)	(58)	(2)	(18)
		(2)	(58)	(2)	(18)

The sales to and purchases from related parties above are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at 31 December 2019 are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the years ended 31 December 2019 and 2018, no impairment charge was recognized relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

17. Capital management

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders.

In order to achieve these overall objectives, the Company's capital management, amongst other things, aims to ensure that it meets covenants and obligations attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has honoured its obligations related to its interest bearing loans and borrowings in the current year.

Management assess the Company's capital requirements in order to maintain an efficient overall financing structure. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade and other payables, less cash.

	Note	**2019** **$000**	*2018* *$000*
Trade and other payables	14	24,258	*22,441*
Net debt		24,258	*22,441*
Share capital	18	460	*860*
Foreign currency translation reserve	19	343	*343*
Retained earning/(deficit)	19	(397)	*1,124*
Capital		406	*2,327*
Capital and net debt		24,664	*24,768*
Gearing ratio		98 %	*91 %*

18. Share capital

Authorised

	Number	2019 $000	*Number*	*2018 $000*
Shares treated as equity				
Ordinary shares at £0.00001 each	10,000,000	1	*10,000,000*	*1*
A Ordinary shares of $1 each	858,758	859	*858,758*	*859*
	10,858,758	860	*10,858,758*	*860*

Issued and fully paid

	Number	2019 $000	*Number*	*2018 $000*
Ordinary shares at £0.00001 each				
At 1 January	10,000,000	1	*10,000,000*	*1*
At 31 December	10,000,000	1	*10,000,000*	*1*
A Ordinary shares of $1 each				
At 1 January	858,758	859	*-*	*-*
Shares issued	-	-	*858,758*	*859*
Capital Reduction	(400,000)	(400)	*-*	*-*
At 31 December	458,758	459	*858,758*	*859*

19. Reserves

Foreign currency translation reserve

	$000
At at 1 January 2018	(343)
Balance at 31 December 2018	(343)
Balance at 31 December 2019	(343)

The foreign currency translation reserve reflects the impacts of the Company changing its functional and presentation currency from a prior year following a change in the ultimate owner of the Company and the repayment of outstanding intagroup balances on 24 May 2017.

Retained earnings

	$000
As at 1 January 2018	9,502
Dividends paid to parent company	(28,358)
Capital reduction (a)	20,418
Loss for the year	(438)
Balance at 31 December 2018	**1,124**
Dividends paid to parent company	(502)
Capital reduction (a)	400
Loss for the year	(1,419)
Balance at 31 December 2019	(397)

(a) In October 2018 and October 2019 the Company carried out a capital reduction process in order to convert its share capital and/or share premium and merger reserves to distributable reserves.