
CENTRIC SOFTWARE LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CENTRIC SOFTWARE LIMITED

COMPANY INFORMATION

Director	C Groves
Registered number	03164162
Registered office	Highlands House Basingstoke Road Spencers Wood Reading Berkshire RG7 1NT
Independent auditors	Nortons Assurance Limited Statutory Auditor Highlands House Basingstoke Road Spencers Wood Reading Berkshire RG7 1NT

CENTRIC SOFTWARE LIMITED

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CENTRIC SOFTWARE LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The director presents his report and the financial statements for the year ended 31 December 2021.

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

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

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

Director

The director who served during the year was:

C Groves

Qualifying third party indemnity provisions

The Company maintains liability insurance for its directors and officers during the period under review and up to the date of signing the financial statements. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he 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's auditors are aware of that information.

CENTRIC SOFTWARE LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Post balance sheet events

Against the backdrop of rising tensions with Russia, particularly as it relates to Russia's actions in Ukraine, and the ongoing sanctions announced by the United States, the United Kingdom and the European Union against Russia, the group has reviewed the associated risks this causes for the business, its operations, and financial condition.

Imports and Exports – The Company only makes sales in the UK as a software business there are no goods imported. The Company continues to actively monitor new sanctions but as at the time of this report the Group has not been impacted to any sanctions.

Supply Chain – As the Company is selling software and services there is no direct impact on the supply chain. All employees involved in the delivery of the services are based in the UK.

Currency – The Company has no immediate exposure with no cash reserves held in or receivables from parties impacted by sanctions.

The Director notes the situation continues to be rapidly evolving and the Director continues to monitor the latest developments, but a significant amount of uncertainty remains present at the time of this report.


Auditors

The auditors, Nortons Assurance Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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


Chris Groves (Jun 24, 2022 15:00 PDT)

C Groves
Director

Date: Jun 24, 2022

CENTRIC SOFTWARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRIC SOFTWARE LIMITED

Opinion

We have audited the financial statements of Centric Software Limited (the 'Company') for the year ended 31 December 2021, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

CENTRIC SOFTWARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRIC SOFTWARE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

CENTRIC SOFTWARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRIC SOFTWARE LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework including the Companies Act 2006 and the relevant tax compliance regulations in the UK.

We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by discussing with management from various parts of the business to understand where it considered there was a susceptibility to fraud. We considered the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud and error.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified in the paragraphs above. Our procedures involved journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business, enquiries of Company management and focused testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the Annual Report and Accounts with the requirements of the relevant accounting standards and UK legislation.

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

CENTRIC SOFTWARE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CENTRIC SOFTWARE LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Anthony Campbell (Senior Statutory Auditor)

for and on behalf of

Nortons Assurance Limited

Statutory Auditor

Highlands House
Basingstoke Road
Spencers Wood
Reading
Berkshire
RG7 1NT
Date:

CENTRIC SOFTWARE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Turnover	18,308,757	9,385,379
Cost of sales	(9,731,504)	(3,103,955)
Gross profit	8,577,253	6,281,424
Administrative expenses	(8,088,458)	(6,098,872)
Operating profit	488,795	182,552
Interest receivable and similar income	-	9,785
Interest payable and similar expenses	(1,751)	(201)
Profit before tax	487,044	192,136
Tax on profit	(62,224)	(55,508)
Profit for the financial year	424,820	136,628

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

CENTRIC SOFTWARE LIMITED
REGISTERED NUMBER: 03164162

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	42,729	46,290
Investments	5	2	2
		<u>42,731</u>	<u>46,292</u>
Current assets			
Debtors: amounts falling due after more than one year	6	180,517	326,241
Debtors: amounts falling due within one year	6	12,973,462	5,254,423
Cash at bank and in hand	7	2,353,416	1,778,453
		<u>15,507,395</u>	<u>7,359,117</u>
Creditors: amounts falling due within one year	8	(14,759,554)	(7,039,657)
Net current assets		747,841	319,460
Total assets less current liabilities		790,572	365,752
Net assets		790,572	365,752

CENTRIC SOFTWARE LIMITED
REGISTERED NUMBER: 03164162

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		789,572	364,752
		<u>790,572</u>	<u>365,752</u>

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

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


Chris Groves (Jun 24, 2022 15:00 PDT)
.....
C Groves
Director

Date: Jun 24, 2022

The notes on pages 11 to 22 form part of these financial statements.

CENTRIC SOFTWARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	1,000	228,124	229,124
Comprehensive income for the year			
Profit for the year	-	136,628	136,628
Total comprehensive income for the year	-	136,628	136,628
At 1 January 2021	1,000	364,752	365,752
Comprehensive income for the year			
Profit for the year	-	424,820	424,820
At 31 December 2021	1,000	789,572	790,572

The notes on pages 11 to 22 form part of these financial statements.

CENTRIC SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Centric Software Limited (the 'Company') is a company incorporated in the United Kingdom under the Companies Act. The company is a private company, limited by shares, and is registered in England and Wales. The registered office is Highlands House Basingstoke Road, Spencers Wood, Reading, RG7 1NT.

The principal activity of the company in the period under review was that of providing business and domestic software development.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Going concern

The Company assets had net assets of £790,572 including a strong cash position of £2,353,416 with the Company delivering a profit of £424,820. While the Director remains positive surrounding the Company's continued success the Director has made further enquires with the Parent Company, Dassault Systems Americas Corp, who have confirmed that the facility of \$10,000,000 (£7,514,450 as at the 31st December 2021) will be made available for a period of atleast 12 months from the date of approval of these financial statements. The Director has considered the ability of the Parent Company to provide this support and are confident that any requests made under this facility could be fulfilled by the Parent Company. Based on this the Director considers it reasonable to approve these financial statements under Going Concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP, rounded to the nearest whole £.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

CENTRIC SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Revenue

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

Revenue is measured as the fair value of the consideration we expect to be entitled to, in exchange for transferring products or providing services to our customers and is recognised when the significant risks and rewards are transferred to the customer.

We account for contracts with our customer when both parties have approved the contract and are committed to perform their respective obligations, each party's rights regarding products or services to be transferred are identified and payment terms are identified, the contract has commercial substance and collection of the consideration is probable. We utilise written contracts as the means to establish the terms and conditions by which our products, product updates and support and/or consulting services are sold to our customers.

Our revenues are generated primarily by providing access to our SaaS subscriptions, licensing our software, providing product updates and support related to our licensed products, and providing consulting services to our customers. Generally, revenue from software license sales is recognised upon delivery; revenues from SaaS subscriptions and product updates and support are recognised rateably over time; and revenues from consulting services are recognised as performed. Revenue is recorded net of applicable taxes. Our specific revenue recognition policies are as follows:

SaaS Subscriptions

Our SaaS subscriptions revenues are primarily from granting customers the right to access software products through our cloud-based SaaS subscription offerings. Under a SaaS subscription agreement, our customer receives a right to access the software for a specified period in an environment hosted, supported, and maintained. The risks and rewards of our SaaS subscription services are transferred over time, and associated revenue is generally recognised rateably over the contract term once the software is made available to the customer. Our SaaS subscription offerings are typically sold with one to three-year subscription terms, generally invoiced in advance of each annual subscription period, and are non-cancellable during the committed subscription term.

Consulting services sold in conjunction with SaaS offerings such as training, configuration and customisation services are considered separate performance obligations. Consequently, they are recognised separately from the SaaS subscription agreement, and applicable revenue is typically recognised as the services are delivered on a percentage completion basis.

Software license fees

Our software products are offered as term-based license contracts, under which we grant customers the license right to use the software for a specified period. Term software licenses are satisfied at a point in time and associated revenue is recognised upon the later of 1) delivery of the software, or 2) the period in which the customer has received the license right to the use of the software.

For customer contracts that include software license fees, implementation and/or other consulting services, the portion of the transaction price allocated to software licenses is generally recognised when delivered. The implementation and consulting services are typically distinct performance obligation and qualify for separate recognition. The portion of the transaction price allocated to implementation and other consulting services is generally recognised as such services are performed.

CENTRIC SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Revenue (continued)

Consulting Services

We also provide consulting services, including system implementation and integration services, consulting, and application managed services. Our consulting services are contracted for in conjunction with the licensing of our software products or SaaS subscription offerings and/or on a standalone basis. Most of our services are sold under specific software services agreement terms, and are priced separately from other promises, as they do not significantly customise or modify the software, are generally not essential to the functionality of our software products.

The majority of our consulting services agreements are provided under time and material contracts, and the related revenues are recognised over time as the services are provided on a percentage completion basis.

Deferred Revenues

Deferred revenues represent amounts billed or payments received from customer for software licenses, services and/or product updates and support in advance of recognising revenue or performing services. We defer revenues for any undelivered elements and recognise revenues when the product is delivered or over the period in which the service is performed, in accordance with its revenue recognition policy for such elements.

Contracts with Multiple Elements

We also enter into contracts that may include a combination of our various products and services offerings including SaaS subscriptions, software licenses, product updates and support, consulting services, and hosting services. We account for individual elements separately if they are distinct, with the fair value of SaaS subscriptions, product updates and support, consulting services, and hosting services calculated based upon a stand alone selling price and with licenses valued by subtracting the sum of the observable standalone selling prices of other goods or services promised in the contract from the total transaction price (the residual approach).

2.5 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

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

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

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

CENTRIC SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Current and deferred taxation

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

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

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

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

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

2.11 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Computer equipment	- 4 years useful life
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

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

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

CENTRIC SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 50 (2020 - 48).

CENTRIC SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2021	134,368
Additions	28,426
Transfers intra group	(9,068)
At 31 December 2021	<u>153,726</u>
Depreciation	
At 1 January 2021	88,078
Charge for the year on owned assets	27,368
Transfers intra group	(4,449)
At 31 December 2021	<u>110,997</u>
Net book value	
At 31 December 2021	<u>42,729</u>
<i>At 31 December 2020</i>	<u>46,290</u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	<u>2</u>
At 31 December 2021	<u>2</u>

The above investment is held in Centric Software (Brazil) Ltda. The registered office is Avenida Paulista, 2300-Piso Pilotis, Bela Vista, São Paulo/SP, 01310-300.

CENTRIC SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Debtors

	2021 £	2020 £
Due after more than one year		
Prepayments and accrued income	180,517	326,241
	<u>180,517</u>	<u>326,241</u>
	<u><u>180,517</u></u>	<u><u>326,241</u></u>
	2021 £	2020 £
Due within one year		
Trade debtors	3,575,265	2,634,599
Amounts owed by group undertakings	1,011,423	-
Other debtors	11,933	157,997
Prepayments and accrued income	8,316,048	2,411,560
Deferred taxation	58,793	50,267
	<u>12,973,462</u>	<u>5,254,423</u>
	<u><u>12,973,462</u></u>	<u><u>5,254,423</u></u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2,353,416	1,778,453
	<u>2,353,416</u>	<u>1,778,453</u>
	<u><u>2,353,416</u></u>	<u><u>1,778,453</u></u>

CENTRIC SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	101,201	146,672
Amounts owed to group undertakings	11,357,568	3,828,807
Corporation tax	91,107	97,840
Other taxation and social security	228,034	122,029
Accruals and deferred income	2,981,644	2,844,309
	14,759,554	7,039,657

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand

9. Share based payments

The main features of the ultimate parent company's stock option plans are as follows: options vest over various periods ranging from one to four years, subject to continued employment, options expire eight to ten years from grant date, or after termination of employment or term of office, whichever is earlier, options have generally been granted at an exercise price equal to or greater than the grant date market value (or the market value the day before the grant) of Dassault Systèmes SE share.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	2.44	518,791	2.04	343,799
Granted during the year	4.56	52,500	2.92	207,000
Forfeited during the year	2.93	(17,860)	0.15	(30,802)
Exercised during the year	-	-	2.20	(1,206)
Expired during the year	2.30	(80,753)	-	-
Outstanding at the end of the year	2.69	472,678	2.44	518,791

CENTRIC SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £227,390 (2020 - £180,771). Contributions totalling £30,356 (2020 - £128,733) were payable to the fund at the balance sheet date and are included in creditors.

11. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	1,242	-
	<u>1,242</u>	<u>-</u>

12. Controlling party

The immediate parent Company Centric Software, Inc, a company incorporated in the United States of America and ultimate parent Dassault Systems Corp., a company incorporated in the United States of America.

The largest and smallest group undertakings for which group accounts have been prepared is that headed by Centric Inc who have a registered office address of 8450 Highland Dr, Wausau, WI 54401, United States.


CENTRIC SOFTWARE LIMITED FY21 - Final Accounts FULL

Final Audit Report

2022-06-24

Created:	2022-06-24
By:	Julie Flores (jflores@centricsoftware.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAU1FKBVjvouxCTicwyuvrD6jOwXVrf0up

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