

Company Registration No. 02485577 (England and Wales)

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017



METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
COMPANY INFORMATION

Directors	P Rowlinson M Thompson A Gaskell S Horrocks Z Lewis	(Appointed 2 May 2017) (Appointed 2 May 2017) (Appointed 2 May 2017)
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Company number	02485577
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Registered office	16 St Martin's Le Grand London EC1A 4EN
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Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
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Business address	16 St Martin's Le Grand London EC1A 4EN
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METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
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METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2017

The directors present the strategic report for the year ended 30 April 2017.

Fair review of the business

During the year the trade of the company was operated through four different legal entities under common control. These companies comprised this company along with Methods Professional Services Limited, Methods Digital Limited and Methods Corporate Limited. In order to be able to deliver new offerings to our customers, realise internal efficiencies, and put the company in a strong position to continue to grow in the market, the trade and assets of all four companies were merged into Methods Advisory Limited at 30th April. The company then changed its name to Methods Business and Digital Technology Limited on 1st May 2017. The accounts have been presented showing the performance of all 4 companies combined (see note 1.2 in Accounting policies).

The merged company's principal market continues to be the Public Sector, with a particular strength in Central Government. It provides IT professional services with a mission to empower government to use digital technologies to transform how it delivers services to the general public.

The company has performed well, with growth of 29% spread across all its divisions. Operating Profit has also increased over the year with reserves rising from a deficit of £215k to a surplus of £2.6m.

Principal risks and uncertainties

The Board reviews and agrees policies for managing the main risks to the company which are summarised below:

Political Risk

The main uncertainties arising for the company are around the public sector spending profile adopted by the government in future parliaments and changes in procurement practices in the public sector away from the commercial enabling frameworks the group participates in.

Public Sector Spending

Whilst the company's income is predominantly public sector based, our market share is not considered high enough to be materially impacted by public sector spending cuts, in fact the current focus on achieving much greater value from suppliers plays well to the company's capabilities and competitive positioning. On-going pro-activity by UK government to promote the use of SME suppliers works to our advantage. The public sector's adoption of new techniques and technologies also favours the company's offerings over and above traditional competitors.

Public Sector Procurement Frameworks

Public sector procurement organisations use standard procurement frameworks to simplify and standardise buying procedures and contractual terms. The company has won positions on various frameworks through which it conducts the majority of its business. The company works hard to promote the use of these frameworks with its clients and we participate in and regularly review these as they come up for renewal to ensure we are able to take full advantage of them in the future.

Development and performance

The company made pre-tax profit of £3.2m (2016: £474k) for the year on a turnover of £62.8m (2016: £48.8m).

At 30 April 2017 the company had net assets of £2.9m (2016: £138k).

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

Key performance indicators

Operating profit margin: 3.2% (2016: 0.91%)

EBITA (1): £2.1m (2016: £558k)

(1) = Earnings before interest, tax, depreciation, amortisation, exceptional items and amounts written off investments.

On behalf of the board



P Rowlin
Director

20 November 2017

**METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
DIRECTORS' REPORT**

FOR THE YEAR ENDED 30 APRIL 2017

The directors present their report and financial statements for the year ended 30 April 2017.

Principal activities

The principal activity of the company continued to be the provision of business change, technology and procurement consultancy services, primarily for public sector clients.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Rowlinson	
M Thompson	
A Hartshorn	(Resigned 3 March 2017)
A Gaskell	(Appointed 2 May 2017)
S Horrocks	(Appointed 2 May 2017)
Z Lewis	(Appointed 2 May 2017)

Results and dividends

The results for the year are set out on page 8

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Financial risk management

The company's financial instruments comprise cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operation. The main financial risks arising from these financial instruments are liquidity and credit risk.

Liquidity risk

Liquidity risk arises in relation to the company's management of working capital and the risk that the company will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and ongoing working capital requirements are regularly reviewed by the directors.

Credit risk

Trade debtors and trade creditors give rise to credit risk for the company.

Trade debtors are, where appropriate, subject to a credit check, and regular reviews are undertaken of exposures to key customers and those where known risks have arisen or still persist. Unpaid balances are rigorously followed up on an ongoing basis. Any indications of impairment to the recoverability of trade debtor balances are provided for in the profit and loss account.

The risk arising from the possible non-advance of credit by the company's trade creditors either by exceeding the credit limit or not paying within the specified terms is managed by prompt payment and regular monitoring of the trade balance and credit limit terms for all suppliers.

The financial risk regarding amounts owed by connected companies is considered low risk as they are under the control of the ultimate shareholders.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

Future developments

Looking ahead, we will aim for 10% revenue growth in the next trading year. We will remain focused on the public sector as our client base, continuing to diversify service offerings. A large number of public sector organisations are undergoing significant change as they adapt to greater expectations from the public, lower budgets and having to adapt to new ways of working, and we expect this market demand to continue.

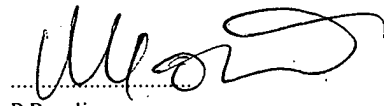
Auditor

The auditor, H W Fisher & Company, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



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P Rowlin

Director

.....

20 November 2017.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

We have audited the financial statements of Methods Business and Digital Technology Limited for the year ended 30 April 2017 set out on pages 8 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

**METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Beber (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

**Chartered Accountants
Statutory Auditor**

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

23 November 2017

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2017

	Notes	2017 £	2016 £
Turnover	3	62,814,928	48,782,046
Other operating income		741,772	398,421
Other external charges		(48,442,344)	(37,541,885)
Staff costs		(10,589,067)	(9,206,370)
Depreciation and other amounts written off tangible and intangible fixed assets		(118,231)	(112,543)
Other operating charges		(2,431,074)	(1,874,688)
Operating profit	4	1,975,984	444,981
Interest receivable and similar income	7	21,228	29,369
Interest payable and similar charges	8	(316)	(241)
Exceptional profit on loan waiver from group company		1,200,000	-
Profit before taxation		3,196,896	474,109
Taxation	9	(425,530)	(229,922)
Profit for the financial year		2,771,366	244,187

The profit and loss account has been prepared on the basis that all operations are continuing operations.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2017

	2017	2016
	£	£
Profit for the year	2,771,366	244,187
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,771,366</u>	<u>244,187</u>

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
BALANCE SHEET

AS AT 30 APRIL 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		74,686		171,981
Current assets					
Debtors	14	11,550,181		10,173,687	
Cash at bank and in hand		456,461		1,781,667	
		12,006,642		11,955,354	
Creditors: amounts falling due within one year	15	(8,290,632)		(11,131,595)	
Net current assets			3,716,010		823,759
Total assets less current liabilities			3,790,696		995,740
Provisions for liabilities	16		(881,393)		(857,803)
Net assets			2,909,303		137,937
Capital and reserves					
Called up share capital	19		400		400
Share premium account			352,184		352,184
Profit and loss reserves			2,556,719		(214,647)
Total equity			2,909,303		137,937

The financial statements were approved by the board of directors and authorised for issue on 20/11/17 and are signed on its behalf by:


P Rowlin
Director

Company Registration No. 02485577

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 May 2015		400	352,184	257,909	610,493
Year ended 30 April 2016:					
Profit and total comprehensive income for the year		-	-	244,187	244,187
Dividends	10	-	-	(716,743)	(716,743)
Balance at 30 April 2016		400	352,184	(214,647)	137,937
Year ended 30 April 2017:					
Profit and total comprehensive income for the year		-	-	2,771,366	2,771,366
Balance at 30 April 2017		400	352,184	2,556,719	2,909,303

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash (absorbed by)/generated from operations	24	(1,170,481)	2,888,020
Interest paid		(316)	(241)
Income taxes paid		(190,701)	(362,871)
Net cash (outflow)/inflow from operating activities		(1,361,498)	2,524,908
Investing activities			
Purchase of tangible fixed assets		(20,936)	(107,022)
Proceeds on disposal of tangible fixed assets		36,000	-
Interest received		3,824	532
Other investment income received		17,404	28,837
Net cash generated from/(used in) investing activities		36,292	(77,653)
Financing activities			
Dividends paid		-	(716,743)
Net cash used in financing activities		-	(716,743)
Net (decrease)/increase in cash and cash equivalents		(1,325,206)	1,730,512
Cash and cash equivalents at beginning of year		1,781,667	51,155
Cash and cash equivalents at end of year		456,461	1,781,667

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

Company information

Methods Business and Digital Technology Limited is a company limited by shares incorporated in England and Wales. The registered office is 16 St Martin's Le Grand, London, EC1A 4EN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of preparation

On 30 April 2017, the company acquired the net assets and trades of three other companies under common control, Methods Corporate Limited, Methods Digital Limited and Methods Professional Services Limited. On the same day all balances between these companies were waived so that the overall effect was to combine the businesses of the four entities together. These accounts have been prepared using merger accounting principles to show the results and net assets of the combined entity as if it had always been a single entity.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents amounts receivable for services net of VAT.

Time and materials revenue is recognised to the extent that time has been completed and materials expensed in the year. The amount recognised is based on the billable value of time worked.

Revenue from fixed price contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. If it is expected that there will be a loss on a contract as a whole, all of the loss is recognised as soon as it is foreseen.

Where the right to consideration arises from the occurrence of a critical event (stage of deliverables or contract milestone) the revenue is recognised when the event occurs.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	Straight line over 3 years
Fixtures, fittings & equipment	Straight line over 3 years
Computer equipment	Straight line over 3 years
Vehicles	10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

Recoverable amount is the higher of fair value less costs to sell 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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors and loans from group and connected companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

1 Accounting policies

(Continued)

1.14 Share-based payments

The parent company participates in an equity-settled share based payments arrangement granted to certain employees of this company. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the directors' valuation and agreed with HMRC.

The cost of granting share options is recognised through the profit and loss account from the date of grant and over the vesting period of the options. Where the performance of certain non-market conditions are required to be satisfied before the options can vest, the company estimates the fair value of the options to be nil if these conditions are not likely to arise in the near future. This estimate is revised at each financial year end. Where the options vest on date of grant and the company expects the options to be exercised within a short period of time, the company calculates the cost of the grant using the intrinsic value of the underlying shares to be obtained on exercise as this is expected to amount to a reasonable approximation of the fair value of the options. Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

The parent company has no cash-settled arrangements.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
(PREVIOUSLY KNOWN AS METHODS ADVISORY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Loss making contracts

Where a contract is loss making the company provides for the full loss of the contract once the loss has been identified and validated by management.

Bad and doubtful debt

The company creates a provision for bad debts when management judge there is likelihood that the debt will not be collectable.

Provisions

The company has recognised a provision for possible clawback of previous years corporation tax relief in its financial statement which requires management to make judgements. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience, documentation from HMRC and other reasonable and relevant factors.

Accruals

Accruals are based on the best estimate of costs that are expected to be invoiced after the year end. These are based on management's knowledge of costs relating to the company that have not yet been billed and invoices relating to the financial year that are received after the year end.

Recoverability of loans to companies under common control

The company assesses the recoverability of loans to companies under common control based upon the current position and the expected future cashflows of those companies.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition

Revenue is recognised based on the value of services delivered in a period. For time and materials engagements this is based on the billable value of time worked. For fixed price projects the company recognises revenue based on the percentage completion of the contract. Percentage completion is calculated by dividing the total cost to date on the contract by the total estimated cost for the whole contract. Total estimated costs are based on management judgement and detailed project plans. The accounting policy for revenue is disclosed in note 1.4 of the financial statements and the turnover for the year is disclosed in note 3 of the financial statements.

Tangible assets

The cost of tangible fixed assets is depreciated over its estimated useful economic life. Management estimates the useful lives of these tangible assets to vary. Changes in the expected level of usage and technological developments could impact on the useful economic lives and the residual values of these assets; therefore, future depreciation charges could be revised. The accounting policy for tangible fixed assets is described in note 1.5. The carrying amount of the tangible fixed assets in the balance sheet is disclosed in note 11 of the financial statements.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover		
Rendering of services	62,814,928	48,782,046
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	3,824	532
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2017 £	2016 £
United Kingdom	62,814,928	48,782,046
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	22,000	24,000
Depreciation of owned tangible fixed assets	118,231	112,543
Profit on disposal of tangible fixed assets	(36,000)	-
Operating lease charges	258,683	332,616
	<u>258,683</u>	<u>332,616</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Office and Admin	32	31
Sales and Marketing	13	16
Consultants	97	87
	<u>142</u>	<u>134</u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	9,267,157	8,050,808
Social security costs	1,116,020	1,029,245
Pension costs	205,890	126,317
	<u>10,589,067</u>	<u>9,206,370</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	447,551	470,352
Company pension contributions to defined contribution schemes	13,103	10,500
	<u>460,654</u>	<u>480,852</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	153,981	156,000
Company pension contributions to defined contribution schemes	4,500	3,750
	<u>158,481</u>	<u>159,750</u>

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	3,824	532
Income from fixed asset investments		
Income from other fixed asset investments	17,404	28,837
Total income	<u>21,228</u>	<u>29,369</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,824	532
	<u>3,824</u>	<u>532</u>

8 Interest payable and similar charges

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	316	241
	<u>316</u>	<u>241</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	468,085	217,480
Adjustments in respect of prior periods	(42,555)	12,442
Total current tax	<u>425,530</u>	<u>229,922</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	3,196,896	474,109
Expected tax charge based on the standard rate of corporation tax in the UK of 19.92% (2016: 20.00%)	636,822	94,822
Tax effect of expenses that are not deductible in determining taxable profit	12,763	70,116
Tax effect of income not taxable in determining taxable profit	(239,040)	-
Unutilised tax losses carried forward	14,280	-
Adjustments in respect of prior years	(42,555)	12,442
Capital allowances in excess of depreciation	-	(100)
Depreciation in excess of capital allowances	19,670	-
Provision of possible clawback of previous years corporation tax relief	23,590	51,803
Other tax adjustments	-	839
Tax expense for the year	425,530	229,922

10 Dividends

	2017 £	2016 £
Interim paid	-	716,743

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

11 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2016	161,964	153,943	68,872	68,000	452,779
Additions	510	1,034	19,392	-	20,936
Disposals	-	-	-	(68,000)	(68,000)
At 30 April 2017	162,474	154,977	88,264	-	405,715
Depreciation and impairment					
At 1 May 2016	81,506	88,201	43,091	68,000	280,798
Depreciation charged in the year	50,346	40,915	26,970	-	118,231
Eliminated in respect of disposals	-	-	-	(68,000)	(68,000)
At 30 April 2017	131,852	129,116	70,061	-	331,029
Carrying amount					
At 30 April 2017	30,622	25,861	18,203	-	74,686
At 30 April 2016	80,458	65,742	25,781	-	171,981

12 Fixed asset investments

	2017	2016
	£	£
Unlisted investments	-	-

The unlisted investments represent minority interest in two Limited Liability Partnerships. As at 30 April 2017, the directors do not believe that the investments are recoverable and therefore the full provision against the investments made in the previous years have remained.

Movements in fixed asset investments

	Unlisted investments
	£
Cost or valuation	
At 1 May 2016 & 30 April 2017	655,000
Impairment	
At 1 May 2016 & 30 April 2017	655,000
Carrying amount	
At 30 April 2017	-
At 30 April 2016	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

13 Financial instruments

	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	11,282,991	9,922,909
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	6,741,310	9,122,479
	<u> </u>	<u> </u>

14 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	3,703,188	4,054,620
Corporation tax recoverable	-	2,160
Other debtors	2,460,746	1,041,146
Prepayments and accrued income	5,145,518	4,835,032
	<u> </u>	<u> </u>
	11,309,452	9,932,958
	<u> </u>	<u> </u>

	2017	2016
	£	£
Amounts falling due after more than one year:		
Other debtors	240,729	240,729
	<u> </u>	<u> </u>
Total debtors	11,550,181	10,173,687
	<u> </u>	<u> </u>

Included within trade debtors is a provision for bad and doubtful debts of £nil (2016 - £16,273).

Included in other debtors above are the amounts totalling £2,343,837 from companies under common control. All such amounts are repayable on demand. Of this amount £1,558,127 is deemed recoverable based upon future cashflows, but, although repayable on demand, may not be recoverable within 12 months of the financial year end.

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FOR THE YEAR ENDED 30 APRIL 2017

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,001,378	2,501,309
Amounts due to group undertakings	19,042	1,209,394
Corporation tax	400,655	167,986
Other taxation and social security	1,083,000	1,592,897
Other creditors	49,209	682,970
Accruals and deferred income	4,737,348	4,977,039
	<u>8,290,632</u>	<u>11,131,595</u>

Included within other creditors is £nil (2016: £44,164) owed to RBS Invoice Finance Limited. This amount is secured by a fixed and floating charge over the assets of the company.

16 Provisions for liabilities

	2017 £	2016 £
Provision of possible clawback of previous years corporation tax relief	<u>881,393</u>	<u>857,803</u>

Movements on provisions:

	Provision of possible clawback of previous years corporation tax relief £
At 1 May 2016	857,803
Additional provisions in the year	23,590
At 30 April 2017	<u>881,393</u>

The provision relates to a possible clawback of previous years' corporation tax relief. This is not expected to be settled within 12 months of the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

17 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	205,890	126,317

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share-based payment transactions

During the year ended 30 April 2017, the parent company had one equity-settled share-based payment arrangement, which is detailed below. The equity-settled share-based payment arrangement is in respect of employees of this company. The parent company does not have any employees.

Type of Arrangement: Enterprise Management Incentive ("EMI") Scheme

Date of Grant: 29 October 2014.

Number Granted: 198,030.

Contractual Life: 10 years.

Vesting requirements: Options may be exercised on a change of ownership, transfer of business or a listing but does not include a reorganisation.

The options were valued at the grant date by the directors and agreed with HMRC.

	Number of share options		Weighted average exercise price.	
	2017	2016	2017	2016
	Number	Number	£	£
Outstanding at 1 May 2016	143,562	190,796	1.67	1.67
Forfeited	(143,562)	(47,234)	1.67	1.68
Outstanding at 30 April 2017	-	143,562	-	1.67
Exercisable at 30 April 2017	-	-	-	-

Liabilities arising in relation to equity settled share based payment transaction during the year was £0 (2016 - £0).

During the year, the company recognised total share-based payment expenses of £0 (2016 - £0) which related to equity settled share based payment transactions.

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FOR THE YEAR ENDED 30 APRIL 2017

19 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
400 Ordinary shares of £1 each	400	400

20 Financial commitments, guarantees and contingent liabilities

The company and connected companies (through common ownership) are party to a banking arrangement with Coutts & Company, whereby an unlimited cross guarantee is given for all liabilities to the bank of any kind whether incurred alone or jointly with another. At the year end, the overall liability of the company and connected companies to the bank was £Nil (2016 - £Nil).

The company, its parent company and connected companies (through common ownership) are party to an invoice discounting facility with RBS Invoice Finance Limited, whereby an unlimited multi-party guarantee is given for all liabilities to RBS Invoice Finance Limited. At the year end, the overall liability of the company, its parent company and connected companies to RBS Invoice Finance Limited was £480 (2016 - £45,064).

The company has provided a letter of support to 2 companies under common control, by which it has affirmed that it will provide financial support to those companies for eighteen months from the signing of these accounts, to enable those companies to meet their liabilities and contractual obligations to third parties as they fall due.

21 Operating lease commitments

Lessee

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

	2017 £	2016 £
Within one year	291,249	278,551
Between two and five years	439,150	730,399
	<u>730,399</u>	<u>1,008,950</u>

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>1,550,994</u>	<u>1,498,153</u>

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2017

22 Related party transactions

(Continued)

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Rendering of services		Purchase of services	
	2017	2016	2017	2016
	£	£	£	£
Entities under common control	320,656	526,452	1,209,453	3,256,234
Fellow group undertakings	-	767,817	-	-
	<u>320,656</u>	<u>1,294,269</u>	<u>1,209,453</u>	<u>3,256,234</u>

	Management fees receivable	
	2017	2016
	£	£
Entities under common control	696,654	245,720
Fellow group undertakings	-	21,000
	<u>696,654</u>	<u>266,720</u>

The following amounts were outstanding at the reporting end date:

	2017	2016
	£	£
Amounts owed to related parties		
Entities under common control	-	67,036
Fellow group undertakings	19,042	1,209,394
	<u>19,042</u>	<u>1,276,430</u>

These balances are unsecured, interest free and repayable on demand.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2017

22 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties

	2017
	Balance
	£
Entities under common control	2,343,837
	<u> </u>
	2016
	Balance
	£
Entities under common control	905,262
	<u> </u>

These balances are unsecured, interest free and repayable on demand.

Other related party transactions

A fellow group undertaking waived a loan of £1,200,000 (2016: £nil) during the year.

Peter Rowlin, a Director of the company, also serves as a Director of Amersham & Chalfont Hockey Community Sports Club Limited, a Community Amateur Sports Club, and also as a director of Amersham AGP Limited, which is a subsidiary of the Amersham & Chalfont Hockey Community Sports Club Limited.

In November 2016, Methods Corporate Limited (one of the companies included in these merged accounts, see note 1.2) made a £100,000 interest free loan to Amersham AGP Limited. The loan is to be repaid over a six year period at agreed points and increments. In return for the preferential terms of the loan, Methods acts as principal sponsor, has the pitch named after the company, has the majority of advertising space at the facility, and benefits from preferential rates for use of the club's facilities. As at 30 April 2017, £100,000 (2016: £nil) remained outstanding.

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FOR THE YEAR ENDED 30 APRIL 2017

23 Controlling party

The immediate parent company at the balance sheet date was Methods Consulting (Advisory) Limited, a company incorporated in England and Wales. The ultimate parent company at the balance sheet date was Methods Holdings Limited, a company incorporated in England and Wales.

The directors consider the ultimate controlling party to be the director, Mr P Rowllins, by virtue of his majority shareholding in the ultimate parent company.

Methods Holdings Limited is the parent undertaking of the largest and smallest group for which group accounts will be drawn up, and of which the company is a member. The registered office address of Methods Holdings Limited is 16 St Martin's Le Grand, London, EC1A 4EN. The first set of group accounts for Methods Holdings Limited will be for the period ended 30 April 2018.

The group accounts of Methods Holdings Limited will be publicly available from its registered office address: 16 St Martin's Le Grand, London, EC1A 4EN.

24 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	2,771,366	244,187
Adjustments for:		
Taxation charged	425,530	229,922
Finance costs	316	241
Investment income	(21,228)	(29,369)
Gain on disposal of tangible fixed assets	(36,000)	-
Depreciation and impairment of tangible fixed assets	118,231	112,543
Increase in provisions	23,590	51,803
Movements in working capital:		
(Increase)/decrease in debtors	(1,378,654)	300,160
(Decrease)/increase in creditors	(3,073,632)	1,978,533
Cash (absorbed by)/generated from operations	<u>(1,170,481)</u>	<u>2,888,020</u>