

ASITE SOLUTIONS LIMITED

FINANCIAL STATEMENTS

30 JUNE 2020



**ArmstrongWatson®**  
Accountants, Business & Financial Advisers

**ASITE SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 04040122**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	5	2,270,436	2,158,392
Tangible assets	6	43,841	21,141
Investments	7	26,279	15,293
		<u>2,340,556</u>	<u>2,194,826</u>
<b>Current assets</b>			
Debtors	8	6,287,729	5,560,549
Cash at bank and in hand	9	2,960,714	1,862,983
		<u>9,248,443</u>	<u>7,423,532</u>
Creditors: amounts falling due within one year	10	(2,652,990)	(2,190,734)
<b>Net current assets</b>		<u>6,595,453</u>	<u>5,232,798</u>
<b>Total assets less current liabilities</b>		<u>8,936,009</u>	<u>7,427,624</u>
<b>Net assets</b>		<u>8,936,009</u>	<u>7,427,624</u>
<b>Capital and reserves</b>			
Called up share capital		7,160	7,160
Share premium account	12	14,727,442	14,727,442
Profit and loss account	12	(5,798,593)	(7,306,978)
		<u>8,936,009</u>	<u>7,427,624</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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



**N R Doughty**  
Director

Date: *24th November 2020*

The notes on pages 2 to 12 form part of these financial statements.

## **ASITE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

#### **1. General information**

The company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The company is tax resident in the United Kingdom. It trades from its registered office address - 1 Mark Square, London, EC2A 4EG.

The principal activity of the company is to provide collaborative Software as a Service (SaaS) to the Architectural, Engineering and Construction (AEC) industry to promote successful supply chain collaboration.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

#### **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 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Asite Limited as at 30 June 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

##### **2.3 Exemption from preparing consolidated financial statements**

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

## **ASITE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

#### **2. Accounting policies (continued)**

##### **2.4 Going concern**

The directors believe that the company has adequate resources to continue in operational existence for the foreseeable future. The company continues to have the support of the directors, shareholders and creditors and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the directors is that, while they acknowledge the significant disruption that the pandemic has brought and will continue to bring, the directors feel that the company is well placed to negotiate the unique set of conditions currently facing the UK economy.

In reaching their conclusion, the directors have considered their cash flow from a period of 12 months from the date of sign off, the various financial support measures that have been announced by the UK government, and the availability of funding both externally and internally.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

##### **2.5 Revenue**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer (i.e., when the company delivers its performance obligation under the contract) at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The company typically enters into multi-element arrangements which include software licence fees, consultancy and training services. Revenue is allocated to the elements of the arrangement based upon the fair value of each element.

The company sells a licence for access to its products which are hosted from the company's dedicated servers. The license fees grant access to web space for the duration of the customer's project and include maintenance and support. The revenue for the licence is recognised on an accruals basis to match the period of use by the customer until the end of the contract. The unrecognised element is included within 'deferred income' and the amount recognised prior to billing is included within 'accrued income'.

Training revenue relates to customer training to use the product. Consultancy revenue relates to the initial tailoring of the product to match the needs of the project and on-going consultancy work provided to the customer post implementation. Revenue is recognised on the consulting and training fees based on fixed daily rates as the service is provided. The fixed daily rates are predetermined at the contract signing date.

**ASITE SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. Accounting policies (continued)**

**2.6 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**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.

**2.7 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.

**2.8 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.9 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Internally generated software development costs	5 years
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**ASITE SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**2. Accounting policies (continued)**

**2.10 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Fixtures, fittings & equipment - 33% straight line

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.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 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.

**2.13 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.

**2.14 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.

## **ASITE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

#### **2. Accounting policies (continued)**

##### **2.15 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 Statement of Financial Position 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 Statement of Financial Position.

##### **2.16 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.

##### **2.17 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

## **ASITE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

#### **2. Accounting policies (continued)**

##### **2.18 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 reporting 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 Statement of Financial Position 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 reporting date.

#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal the related actual results.

The directors consider the key accounting estimates to be valuation and capitalisation of development costs, and residual values of intangible fixed assets, and provision for trade debtors.

At the start of an internally developed project management assess if it will generate probable future economic benefits and meet the criteria for the costs to be capitalised. Once management conclude it meets the criteria they then use their judgement to assess the allocation of costs that specifically relate to the project.

The residual values of intangible fixed assets are reviewed on an ongoing basis by the directors.

Provisions for trade debtors are reviewed by the directors on an ongoing basis who use their specific industry knowledge and experience to ensure the correct judgements.

In preparing the financial statements the directors have also considered the likelihood of any post year end impairment to asset values that may have arisen as a result of the COVID-19 pandemic. The directors have concluded that no such impairment has arisen and, accordingly, there has been no material diminution in asset values following the year end.

# ASITE SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 4. Employees

The average monthly number of employees, including directors, during the year was 35 (2019 - 26).

### 5. Intangible assets

	Internally generated software development costs £
<b>Cost</b>	
At 1 July 2019	3,427,087
Additions - internal	784,730
At 30 June 2020	<u>4,211,817</u>
<b>Amortisation</b>	
At 1 July 2019	1,268,695
Charge for the year on owned assets	672,686
At 30 June 2020	<u>1,941,381</u>
<b>Net book value</b>	
At 30 June 2020	<u>2,270,436</u>
At 30 June 2019	<u>2,158,392</u>

**ASITE SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**6. Tangible fixed assets**

	<b>Fixtures, fittings and equipment £</b>
<b>Cost or valuation</b>	
At 1 July 2019	162,212
Additions	43,032
At 30 June 2020	<u>205,244</u>
<b>Depreciation</b>	
At 1 July 2019	141,071
Charge for the year on owned assets	20,332
At 30 June 2020	<u>161,403</u>
<b>Net book value</b>	
At 30 June 2020	<u><u>43,841</u></u>
At 30 June 2019	<u><u>21,141</u></u>

**7. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 July 2019	15,293
Additions	10,986
At 30 June 2020	<u><u>26,279</u></u>

**ASITE SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**8. Debtors**

	2020 £	2019 £
Trade debtors	2,176,480	2,128,140
Amounts owed by group undertakings	1,708,762	982,849
Other debtors	135,378	109,996
Prepayments and accrued income	354,958	354,720
Deferred taxation	1,912,151	1,984,844
	<u>6,287,729</u>	<u>5,560,549</u>

Amounts owed by group undertakings are repayable on demand with no interest incurred on amounts due.

**9. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	2,960,714	1,862,983
	<u>2,960,714</u>	<u>1,862,983</u>

**10. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	245,476	170,482
Other taxation and social security	375,508	363,571
Other creditors	10,389	6,536
Accruals and deferred income	2,021,617	1,650,145
	<u>2,652,990</u>	<u>2,190,734</u>

# ASITE SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 11. Deferred taxation

	2020 £	2019 £
At beginning of year	1,984,844	383,097
Charged to profit or loss	(72,693)	1,601,747
At end of year	<u>1,912,151</u>	<u>1,984,844</u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(355,528)	(148,566)
Recognition of deferred tax assets	2,267,679	2,133,410
	<u>1,912,151</u>	<u>1,984,844</u>

### 12. Reserves

#### Share premium account

Share premium is the amount received by a company over and above the face value of its shares.

### 13. 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 £45,258 (2019 - £24,146). Contributions totalling £10,389 (2019 - £6,536) were payable to the fund at the balance sheet date and are included in creditors.

### 14. Commitments under operating leases

At 30 June 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	333,984	135,207
Later than 1 year and not later than 5 years	169,734	-
	<u>503,718</u>	<u>135,207</u>

**ASITE SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**15. Related party transactions**

The company has taken advantage of the exemption contained in Section 33 of FRS102 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available.

**16. Controlling party**

The company is a wholly owned subsidiary of Asite Limited, a company incorporated in the UK, whose ultimate controlling party is the Tchenguiz Discretionary Trust. The director considers that company to be the controlling party of Asite Solutions Limited and the company's immediate and ultimate parent company. The consolidated financial statements of Asite Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

**17. Auditors' information**

The auditors' report on the financial statements for the year ended 30 June 2020 was unqualified.

The audit report was signed on 25/11/2020 by Matthew Osbourne (Senior Statutory Auditor) on behalf of Armstrong Watson Audit Limited.