

Registered number: 04040122

Asite Solutions Limited

DIRECTORS' REPORT AND ACCOUNTS **for the year ended 30 June 2018**

Company No: 04040122

WEDNESDAY



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COMPANY INFORMATION

DIRECTORS

T Ryan
D Gera
N Doughty

COMPANY SECRETARY

N Doughty

REGISTERED NUMBER

04040122

REGISTERED OFFICE

1 Mark Square,
London,
EC2A 4EG

INDEPENDENT AUDITOR

KPMG LLP
Botanic House
100 Hills Road
Cambridge
CB2 1AR

DIRECTORS' REPORT
for the year ended 30 June 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

DIRECTORS

The directors who served during the year were:

T Ryan
D Gera
N Doughty

The company is a wholly owned subsidiary. The directors have interests in the shares of the parent company, including rights to subscribe to shares, for further details relating to this please refer to the parent company's financial information.

BUSINESS REVIEW

I am pleased to report that the company has continued its growth and global footprint over the past 12 months. For the four quarters ended 30 June 2018 Operating Profit increased 85% to £1,316,965 up on the previous year (2017 £693,347) and revenue increased by 5% to £7,090,271 (2017 - £6,756,104).

Our strategic decision to create our Common Data Everywhere (CDE) ecosystem, means that we are firmly placed at the centre of our industry.

Our offices across the globe now give us the depth to achieve our future goals.

During this period, we have continued to deliver successful new versions of our Adoddle Platform including the first instant messaging app (aMessage) within our controlled and audited Environment.

Our technology continues to push the boundaries of Research and Development for our customers and those we have not yet met. Our team continues to grow adding fresh talent for the next question.

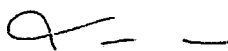
DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that 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 auditor is aware of that information.

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

This report was approved by the board on 31 October 2018 and signed on its behalf by:



T Ryan

Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASITE SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Asite Solutions Limited ("the company") for the year ended 30 June 2018, which comprise the profit and loss statement and balance sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, 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; or

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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



Richard Bartlett-Rawlings (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Botanic House

98-100 Hills Road

Cambridge CB2 1JZ

31 October 2018

PROFIT AND LOSS STATEMENT
for the year ended 30 June 2018

	Note	2018 £	2017 £
TURNOVER	2	7,090,271	6,756,104
Cost of sales		<u>(1,371,053)</u>	<u>(1,431,109)</u>
GROSS PROFIT		5,719,218	5,324,995
Distribution costs		<u>(527,067)</u>	<u>(371,522)</u>
Administrative expenses		<u>(3,875,186)</u>	<u>(4,247,750)</u>
OPERATING PROFIT	3	1,316,965	705,723
Interest payable and similar charges		<u>(41,857)</u>	<u>(12,376)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,275,108	693,347
Tax on profit on ordinary activities	5	<u>216,490</u>	<u>166,607</u>
PROFIT FOR THE FINANCIAL YEAR	11	<u>1,491,598</u>	<u>859,954</u>

The notes on pages 8 to 13 form part of these financial statements.

BALANCE SHEET as at 30 June 2018

	Note	£	2018 £	£	2017 £
NON CURRENT ASSETS					
Intangible Fixed assets	6	2,011,193		1,550,323	
Tangible assets	6	33,169		52,541	
Investments	6	15,293		15,293	
Deferred tax asset	5	383,097		166,607	
		<u>2,442,752</u>		<u>1,784,764</u>	
CURRENT ASSETS					
Debtors	7	2,815,665		2,636,010	
Cash at bank		926,654		770,970	
		<u>3,742,319</u>		<u>3,406,980</u>	
CREDITORS: amounts falling due within one year	8	<u>(2,604,427)</u>		<u>(2,492,206)</u>	
NET CURRENT ASSETS			<u>1,137,892</u>		<u>914,774</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,580,644</u>		<u>2,699,538</u>
CREDITORS: amounts falling due after more than one year	9		<u>-</u>		<u>(610,492)</u>
NET ASSETS			<u>3,580,644</u>		<u>2,089,046</u>
CAPITAL AND RESERVES					
Called up share capital	10	7,160		7,160	
Share premium account		14,727,442		14,727,442	
Profit and loss account	11	(11,153,958)		(12,645,556)	
SHAREHOLDERS' FUNDS		<u>3,580,644</u>		<u>2,089,046</u>	

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the FRS 102 Section 1A.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31st October 2018 by:



T Ryan
Director

The notes on pages 8 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the FRS 102 Section 1A.

The accounts have been prepared on a going concern basis having regard to management's assessment of their forecast trading activities, working capital requirements and ability to meet payments for amounts owed to the parent company, bank loans and third party suppliers. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	– 2% straight line
Computer equipment	– 33% straight line
Fixtures, fittings & equipment	– 5-33% straight line

1.4 OPERATING LEASES

Rentals under operating leases are charged to the Profit and Loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

1. ACCOUNTING POLICIES (continued)**1.5 DEFERRED TAXATION**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss account.

2. TURNOVER

5.5% of the company's turnover (2017 – 12.9%) is attributable to geographical markets outside the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets:	34,589	41,674
- owned by the company		
Auditor's remuneration - audit of statutory accounts	4,000	4,000
Auditor's remuneration - other services remuneration	7,400	1,500
Foreign currency losses	41,857	9,525
Amortisation	383,046	28,621

4. DIRECTORS' REMUNERATION

	2018	2017
	£	£
Aggregate Remuneration	613,750	564,416

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

5. TAXATION

	2018 £	2017 £
Current tax:		
UK corporation tax on profit for the year	-	-
Total current year tax charge	<u>-</u>	<u>-</u>
Deferred taxation		
Current year	(216,490)	(166,607)
Total tax charge/(credit)	<u>(216,490)</u>	<u>(166,607)</u>

	2018 £	2017 £
Factors affecting current tax charge for the year		
Profit on ordinary activities before tax	<u>1,275,108</u>	<u>693,347</u>
Profit on ordinary activities multiplied by the standard rate of corporate tax of 19% (2017 19.75%)	242,271	136,936
Effects of		
Depreciation in excess of/(lower than) capital allowances	42,931	(31,183)
Expenses not deductible for tax purposes	21,719	71,224
Adjustments in respect of prior periods	(47,500)	-
Utilisation of losses bfw	(259,421)	(176,977)
Current tax charge for the period	<u>-</u>	<u>-</u>

5. TAXATION (continued)

	2018	2017
	£	£
Corporation Tax Debtor	142,311	142,311

Deferred Taxation Asset

	2018	2017
	£	£
At the end of the period	383,097	166,607

The provision for deferred taxation is made up as follows:

Accelerated capital allowances	80,874	123,805
Short term timing differences	302,223	42,802

6. NON CURRENT ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
COST				
At 1 July 2017	1,845,348	223,288	15,293	2,083,929
Additions	843,916	6,083	-	849,999
Transfers	54,581	(54,581)	-	-
At 30 June 2018	2,743,845	174,790	15,293	2,933,928
DEPRECIATION				
At 1 July 2018	(295,025)	(170,747)	-	(465,772)
Charge for the year	(383,046)	(25,455)	-	(408,501)
Transfers	(54,581)	54,581	-	-
At 30 June 2018	(732,652)	(141,621)	-	(874,273)
NET BOOK VALUE				
At 30 June 2018	2,011,193	33,169	15,293	2,059,655
At 30 June 2017	1,550,323	52,541	15,293	1,618,157

The principal undertakings in which the Company's interest at the year-end is more than 20% are as follows:

Subsidiary undertaking	Country of incorporation	Principal activity	Class and percentage of shares
Asite Solutions Private Limited	India	E-Commerce portal and services	99.7% ordinary
Asite LLC	United States of America	E-Commerce portal and services	100% ordinary
Asite PTY Limited	Australia	E-Commerce portal and services	100% ordinary

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

7. DEBTORS

	2018	2017
	£	£
Group debtors	625,090	258,388
Trade debtors	1,671,239	2,007,155
Other debtors	211,325	214,591
Prepayments and accrued income	308,012	155,876
	<u>2,815,665</u>	<u>2,636,010</u>

**8. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade creditors	275,638	321,852
Amounts owed to group undertakings	690,559	675,964
Other taxation and social security	292,934	288,580
Accruals and deferred income	1,345,296	1,205,810
	<u>2,604,427</u>	<u>2,492,206</u>

**9. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Loan from parent Company	-	610,492
	<u>-</u>	<u>610,492</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2018

10. SHARE CAPITAL

	2018 £	2017 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
7,160 Ordinary shares of £1 each	<u>7,160</u>	<u>7,160</u>

11. RESERVES

	Share Capital £	Share Premium account £	Profit and loss account £	Total Reserves £
At 1 July 2017	7,160	14,727,442	(12,645,556)	2,089,046
Profit for the financial year	-	-	1,491,598	1,491,598
At 30 June 2018	<u>7,160</u>	<u>14,727,442</u>	<u>(11,153,958)</u>	<u>3,580,644</u>

12. OPERATING LEASE COMMITMENTS

At 30 June 2018 the company had annual commitments under non-cancellable operating leases as follows:

	2018 £	2017 £
EXPIRY DATE:		
Within 1 year	179,076	204,383
Between 1 and 5 years	<u>134,307</u>	<u>42,917</u>
	<u>313,383</u>	<u>247,300</u>

13. ULTIMATE PARENT UNDERTAKING, CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Asite Limited a company incorporated in the UK, and the director considers that company to be the controlling party of Asite Solutions Limited and the company's immediate and ultimate parent company.

The company has taken advantage of the exemption in FRS102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements, of which are publicly available, are prepared by the ultimate parent company.