
PAUL MASON CONSULTING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



PAUL MASON CONSULTING LIMITED

COMPANY INFORMATION

Director	Paul Mason
Company secretary	Iris Mason
Registered number	04144304
Registered office	30-32 Blacklands Way Abingdon Business Park Abingdon Oxfordshire OX14 1DY
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

PAUL MASON CONSULTING LIMITED

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PAUL MASON CONSULTING LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The Director presents his Strategic Report and the financial statements for the year ended 31 March 2020.

Principal activity

The principal activity of the Group in the year under review was to provide IT services to the retail and B2C sectors.

Business review

The results for the year and financial position of the Company and Group are shown in these financial statements.

During the financial year, PMC continued its track record of delivering consistent top line growth for the seventh successive year with revenues increasing by 10.2% to £13 million.

Gross margins were substantially improved, up 10% due to a growth of more profitable lines of business and the ongoing benefits being delivered from the extension of our capabilities in our chosen markets.

We see substantial opportunity to grow our footprint of technology services and to support the ongoing digital and cost transformation needs of our customers. Therefore, during the year, the business invested significantly in management recruitment, go to market and capital expenditure in order to accelerate the development of further propositions and capabilities that our customers need and to support continuous growth.

Group profit before taxation reduced by £68,842 on the previous year resulting from these investments, together with higher depreciation and amortisation charges resulting from ongoing technology and platform investments. A further £50,000 of profit was forgone due to the COVID-19 impact on revenues in the fourth quarter (refer to statement below on COVID-19). After these investments, EBITDA adjusted for the impact of COVID-19, increased by 1% compared to the prior year.

Key developments during the year

Management

In addition to the recruitment of a new CEO and Sales & Marketing Director in February 2019, in order to support the Company's long-term growth strategy PMC invested further in sales resource together with a new CFO who joined in March 2020.

Staff Numbers

Staff numbers at year end were increased to 361, with 102 employees in the UK and 259 in India, reflecting our ongoing investment in relevant skills to support the needs of our customers.

Customers

The business has continued to develop its customer relationships and partnerships during the year, with over 10 new customer logos won in 2020. This has supported growth in annualised recurring revenues for both professional services and managed services propositions, which ended the year at £5.0m, up 5% compared to last year. The business also benefits from a high repeat revenue rate for technology project activity from existing customers.

PMC India

PMC India has continued to expand its capabilities during the year with a growing base of dedicated customer delivery teams supporting digital transformation. Our skills in multiple development languages, methodologies, micro-services and platforms positions us well to grow these contracts and to continue to attract new customers.

PAUL MASON CONSULTING LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Key developments during the year (continued)

Research and Development

Our customers' ability to integrate existing technology investments, together with the deployment of scalable and resilient micro services, is critical in response to changing retail and B2C environments. We are investing in the technology to support these needs.

PMC's mobile solution framework gained traction in multiple customers during the year and we have extended our investment to support a wider set of capabilities, across multiple device platforms (IOS, Android and Windows), together with a wider eco-system of pre-built integrations.

During 2020 we have invested heavily in our own micro services development and cloud infrastructure to support the ongoing development, integration and automation needs that our market has as it transforms. To this end, we have developed a global platform built on serverless cloud technology. This capability allows us to respond to our customers requirement to rapidly develop, integrate and support multiple applications within their distributed and online environments in a resilient and scalable manner.

We believe this positions PMC well to be a technology service provider with the requisite depth of domain expertise, technology partners, development and integration capabilities our customers require, offered within a framework of flexibility and choice.

Customer & Employee Satisfaction

Customer and employee satisfaction levels remain consistently above industry benchmarks and we continue to invest in the tools, skills and accreditations to support this on an ongoing basis. We undertake regular independent staff engagement surveys and our most recent survey was above industry benchmarks.

Risk management and financial controls

The principal risks and uncertainties facing the business are outlined below:

The Group's activities expose it to the risk of changes in foreign exchange rates.

The Group's principal financial instruments comprise bank balances, trade debtors and trade and other creditors, amounts owed by group undertakings, accrued income and accruals. The main purpose of these instruments is to finance the Group's operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the Group's cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors and accrued income are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors, other creditors and accruals' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The Board regularly monitors the principal business risks to the Group and the Chief Executive provides a monthly report to the Board of the current operational risks and actions taken to manage them.

The Board also conducted its annual review of the Group's primary financial controls and fraud risks. This review concluded that the Group's primary internal controls and processes are appropriate to its activities.

PAUL MASON CONSULTING LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Impact of COVID-19

Following the emergence of the worldwide COVID-19 pandemic during February and March 2020, the Group experienced the delay of some projects, thereby impacting the financial year's results. A number of clients chose to defer or stop planned expenditure from February 2020 with the reason cited as being uncertainty caused by the pandemic. This caused an estimated reduction in operating profit of £50,000.

In relation to the overall financial year's operating performance, management estimate that EBITDA growth for the Group would have been 1% during the financial year when compared to the prior year.

Looking forwards

On Monday 23rd March 2020, the UK government made the decision to close all but non-essential retail establishments which is one of the key sector's in which PMC operates.

The Group reacted promptly to the COVID-19 crisis during March 2020 to ensure our employees' wellbeing was protected, whilst also ensuring we had adequate trading facilities and working capital. The Group has subsequently secured access to substantial additional reserve funding from its banks, of which no reserve funds have needed to be utilised as at the date of this report. These funds have not been required to date due to significant collections in the first quarter of the 2021 as debts in the prior year have been substantially recovered.

Temporary homeworking has been established in both of our UK and India operations and remains in place as at the date of this report. We have been able to successfully continue delivery of services to our customers and maintain our high service level attainment.

The Group's revenues in the short term are estimated to be lower than the prior year due to a number of PMC's clients reducing projects and service expenditure due to the temporary closure on non-essential retail. However, the business has been able to mitigate the majority of short-term revenue reductions through cost reduction and support provided by the CJRS scheme.

The breadth of the customer base and portfolio enables PMC to limit the impact of longer-term impacts on the sectors we serve and to create opportunities for growth on the basis of PMC's unique customer and value proposition. PMC has successfully supported our customers amid the wider reopening of the retail sector in June 2020, with high service level attainment. We believe that as the economy recovers our proposition to accelerate the digital and cost transformation agenda of retail and B2C businesses creates further opportunities to expand the number of customers to whom we deliver these services.

In summary, our Board is confident that PMC's business model is highly resilient and sustainable and, although trading is not expected to reach previous levels during 2020, the strength of the business model gives the Board confidence that the business will grow revenues and profits over the medium term.

Impact of Brexit

The Board is still closely monitoring the development of the situation with regards to Brexit and the potential for a 'no deal' scenario at the end of December 2020. Business risk associated with the current and potential economic environment is reviewed monthly and mitigations with regards to customer impacts are being closely assessed.

PAUL MASON CONSULTING LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

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



Paul Mason
Director

Date: 21/7/20

PAUL MASON CONSULTING LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The Director presents his Director's Report financial statements for the year ended 31 March 2020.

Director's responsibilities statement

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

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

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The profit for the year, after taxation, amounted to £755,126 (2019 - £754,586).

Dividends of £183,094 were declared and paid in the year (2019 - £394,131), no other dividends were declared at the year end. The decision was made to withhold dividends normally distributed post year-end in relation to 2019/20 due to the impact of COVID-19.

Director

The Director who served during the year was:

Paul Mason

PAUL MASON CONSULTING LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Charitable contributions

During the year the Group made charitable donations totalling £18,391 (2019 - £14,228) which were as follows:

	2020 £	2019 £
Adoption UK (PMC UK)	3,426	-
Other (PMC UK)	1,200	656
Akshar Trust (PMCI)	14,117	9,418
Other (PMCI)	188	4,154
	<hr/> 18,931	<hr/> 14,228

Future developments

PMC will continue to invest in our refreshed go to market approach, our India delivery centre, together with depth of retail skills and tools within our UK team, so as in order to support our customers' needs and meet the market demands that digital transformation is driving in the sector.

The impact of both Brexit and Covid-19 Coronavirus are discussed on page 3.

Engagement with employees

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and mailings. Employees are actively consulted regularly on a wide range of matters affecting their current and future interests.

Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Matters covered in the strategic report

As permitted by section 414C(11) of The Companies Act 2006, certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic Report instead. These matters relate to; business review, principal risks and uncertainties, key performance indicators and impact of Brexit.

PAUL MASON CONSULTING LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditor

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

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

Post balance sheet events

During March 2020, a global pandemic was declared arising from the outbreak of COVID-19. As the pandemic started prior to the year end, balance sheet valuations have accounted for the Director's assessment of the impact of COVID-19. The Director has put plans in place to mitigate the impact to the Group which are disclosed in the Strategic report on page 3.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Paul Mason
Director

Date: 21/7/20

PAUL MASON CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAUL MASON CONSULTING LIMITED

Opinion

We have audited the financial statements of Paul Mason Consulting Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Group and Company financial statements, which is not modified, we draw your attention to the Director's view on the impact of COVID-19 as disclosed on page 3, the consideration given in the going concern basis of preparation on page 21 and the subsequent events note on page 44.

During March 2020, a global pandemic was declared arising from the outbreak of COVID-19, the impact of which is causing widespread disruption to normal patterns of business activity across the world, including the UK and India.

The full impact following the emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Group and Company's operations, customers and the wider economy.

PAUL MASON CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAUL MASON CONSULTING LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group Strategic Report and Director's Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PAUL MASON CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAUL MASON CONSULTING LIMITED

Responsibilities of Directors

As explained more fully in the Director's responsibilities statement set out on page 5, the Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

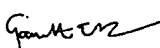
Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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


Gareth Jones (Jul 23, 2020 15:44 GMT+1)

Gareth Jones (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: Jul 23, 2020

PAUL MASON CONSULTING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	13,037,653	11,827,082
Cost of sales		(8,265,741)	(7,487,820)
Gross profit		4,771,912	4,339,262
Administrative expenses		(3,976,591)	(3,397,420)
Other operating income		81,494	113
Operating profit	5	876,815	941,955
Interest receivable and similar income	9	5,657	3,331
Interest payable and expenses	10	(8,252)	(2,224)
Profit before tax		874,220	943,062
Tax on profit	11	(119,094)	(188,476)
Profit for the financial year		755,126	754,586
Currency translation differences		(7,262)	30,018
Other comprehensive income for the year		(7,262)	30,018
Total comprehensive income for the year		747,864	784,604

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 21 to 44 form part of these financial statements.

All amounts relate to continuing operations.

PAUL MASON CONSULTING LIMITED
REGISTERED NUMBER: 04144304

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	901,921	655,260
Tangible assets	15	442,788	507,548
		<u>1,344,709</u>	<u>1,162,808</u>
Current assets			
Debtors: amounts falling due within one year	17	4,167,827	3,080,599
Cash at bank and in hand	18	126,809	409,187
		<u>4,294,636</u>	<u>3,489,786</u>
Creditors: amounts falling due within one year	19	(2,607,972)	(2,213,628)
Net current assets		<u>1,686,664</u>	<u>1,276,158</u>
Total assets less current liabilities		<u>3,031,373</u>	<u>2,438,966</u>
Creditors: amounts falling due after more than one year	20	(166,906)	-
Provisions for liabilities			
Deferred tax	23	(73,198)	(74,060)
		<u>(73,198)</u>	<u>(74,060)</u>
Net assets		<u>2,791,269</u>	<u>2,364,906</u>
Capital and reserves			
Called up share capital		3,297	3,595
Share premium account	26	309,742	301,175
Capital redemption reserve	26	326	2
Treasury stock reserve	26	-	(266,122)
Profit and loss account	26	2,477,904	2,326,256
		<u>2,791,269</u>	<u>2,364,906</u>

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

Paul Mason
Director



Date:

21/12/20

The notes on pages 21 to 44 form part of these financial statements.

PAUL MASON CONSULTING LIMITED
REGISTERED NUMBER: 04144304

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	904,005	654,523
Tangible assets	15	79,502	108,351
Investments	16	110,197	110,197
		<u>1,093,704</u>	<u>873,071</u>
Current assets			
Debtors: amounts falling due within one year	17	3,964,809	2,874,927
Cash at bank and in hand	18	870	380,613
		<u>3,965,679</u>	<u>3,255,540</u>
Creditors: amounts falling due within one year	19	(2,852,097)	(2,300,366)
Net current assets		<u>1,113,582</u>	<u>955,174</u>
Total assets less current liabilities		<u>2,207,286</u>	<u>1,828,245</u>
Creditors: amounts falling due after more than one year	20	(166,906)	-
Provisions for liabilities			
Deferred taxation	23	(103,383)	(99,407)
		<u>(103,383)</u>	<u>(99,407)</u>
Net assets		<u>1,936,997</u>	<u>1,728,838</u>

PAUL MASON CONSULTING LIMITED
REGISTERED NUMBER: 04144304

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Capital and reserves			
Called up share capital		3,297	3,595
Share premium account	26	309,742	301,175
Capital redemption reserve	26	326	2
Treasury stock reserve	26	-	(266,122)
Profit and loss account brought forward		1,690,188	1,505,786
Profit for the year		529,699	579,098
Other changes in the profit and loss account		(596,255)	(394,696)
		<hr/>	<hr/>
Profit and loss account carried forward		1,623,632	1,690,188
		<hr/>	<hr/>
		1,936,997	1,728,838

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

Paul Mason
Director



Date:

21/3/20

The notes on pages 21 to 44 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Treasury stock reserve £	Profit and loss account £	Total equity £
At 1 April 2019	3,595	301,175	2	(266,122)	2,326,256	2,364,906
Comprehensive income for the year						
Profit for the year	-	-	-	-	755,126	755,126
Exchange differences on retranslation	-	-	-	-	(7,262)	(7,262)
Total comprehensive income for the year	-	-	-	-	747,864	747,864
Dividends	-	-	-	-	(183,094)	(183,094)
Exercise of share options	26	8,567	-	-	-	8,593
Cancellation of treasury shares	(324)	-	324	413,122	(413,122)	-
Shares purchased into treasury	-	-	-	(147,000)	-	(147,000)
Total transactions with owners	(298)	8,567	324	266,122	(596,216)	(321,501)
At 31 March 2020	3,297	309,742	326	-	2,477,904	2,791,269

The notes on pages 21 to 44 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Treasury stock reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2018	3,378	252,545	2	-	1,935,783	2,191,708
Comprehensive income for the year						
Profit for the year	-	-	-	-	754,586	754,586
Exchange differences on retranslation	-	-	-	-	30,018	30,018
Total comprehensive income for the year	-	-	-	-	784,604	784,604
Dividends	-	-	-	-	(394,131)	(394,131)
Exercise of share options	217	48,630	-	-	-	48,847
Shares purchased into treasury	-	-	-	(266,122)	-	(266,122)
Total transactions with owners	217	48,630	-	(266,122)	(394,131)	(611,406)
At 31 March 2019	3,595	301,175	2	(266,122)	2,326,256	2,364,906

The notes on pages 21 to 44 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Share premium account	Capital redemption reserve	Treasury stock reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2019	3,595	301,175	2	(266,122)	1,690,188	1,728,838
Comprehensive income for the year						
Profit for the year	-	-	-	-	529,699	529,699
Currency translation differences	-	-	-	-	(39)	(39)
Total comprehensive income for the year	-	-	-	-	529,660	529,660
Dividends: Equity capital	-	-	-	-	(183,094)	(183,094)
Exercise of share options	26	8,567	-	-	-	8,593
Cancellation of treasury shares	(324)	-	324	413,122	(413,122)	-
Shares purchased into treasury	-	-	-	(147,000)	-	(147,000)
Total transactions with owners	(298)	8,567	324	266,122	(596,216)	(321,501)
At 31 March 2020	3,297	309,742	326	-	1,623,632	1,936,997

The notes on pages 21 to 44 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Treasury stock reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2018	3,378	252,545	2	-	1,505,786	1,761,711
Comprehensive income for the year						
Profit for the year	-	-	-	-	579,098	579,098
Currency translation differences	-	-	-	-	(565)	(565)
Total comprehensive income for the year	-	-	-	-	578,533	578,533
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	-	(394,131)	(394,131)
Exercise of share options	217	48,630	-	-	-	48,847
Shares purchased into treasury	-	-	-	(266,122)	-	(266,122)
Total transactions with owners	217	48,630	-	(266,122)	(394,131)	(611,406)
At 31 March 2019	3,595	301,175	2	(266,122)	1,690,188	1,728,838

The notes on pages 21 to 44 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	755,126	754,586
Adjustments for:		
Amortisation of intangible assets	237,544	159,874
Depreciation of tangible assets	187,151	159,655
Loss on disposal of tangible assets	607	3,842
Interest paid	8,252	2,224
Interest received	(5,657)	(3,331)
Taxation charge	119,094	188,476
(Increase)/decrease in debtors	(1,082,975)	820,591
Increase/(decrease) in creditors	151,955	(677,094)
Corporation tax (paid)	(124,208)	(100,051)
Exchange differences	2,014	(24,516)
Net cash generated from operating activities	248,903	1,284,256
Cash flows from investing activities		
Purchase of intangible fixed assets	(484,419)	(364,357)
Purchase of tangible fixed assets	(132,546)	(138,989)
Sale of tangible fixed assets	485	7,399
Interest received	5,657	3,331
Net cash from investing activities	(610,823)	(492,616)
Cash flows from financing activities		
Proceeds from share issue	8,594	-
New secured loans	300,000	-
Repayment of loans	(99,691)	(85,136)
Dividends paid	(183,094)	(394,131)
Interest paid	(8,252)	(2,224)
Repurchase of shares	(147,000)	(266,122)
Net cash used in financing activities	(129,443)	(747,613)

PAUL MASON CONSULTING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Net (decrease)/increase in cash and cash equivalents	(491,363)	44,027
Cash and cash equivalents at beginning of year	409,187	365,160
Cash and cash equivalents at the end of year	(82,176)	409,187
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	126,809	409,187
Bank overdrafts	(208,985)	-
	(82,176)	409,187

The notes on pages 21 to 44 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

Paul Mason Consulting Limited (the 'Company') is a private company, limited by shares, registered and incorporated in England and Wales. The address of its registered office is 30-32 Blacklands Way, Abingdon Business Park, Abingdon, Oxfordshire, OX14 1DY. Company number 04144304.

The principal activity of the Company is discussed on page 1.

These financial statements have been prepared in Pounds Sterling (£), this being the Company's functional currency and currency of the primary economic environment in which the Company operates.

Monetary amounts included in these financial statements have been rounded to the nearest £.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

Having reviewed forecasts for a period of at least twelve months from the date of approval of the financial statements and the pipeline of secured contracts, the Director has prepared the financial statements on the going concern basis as he believes that the Group headed by Paul Mason Consulting Limited can continue to meet its liabilities as they fall due.

In response to the COVID-19 pandemic, the Director has confirmed that they have taken into account the potential impact on the business and possible future scenarios arising from the impact of COVID-19. At the date of signing the financial statements, the Director concludes that they can continue to adopt the going concern basis of preparation for the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Revenue

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is calculated on a time basis of work done by consultants during the period and the sales value of software licences supplied.

Support services and upgrades invoiced in advance are included in deferred income and released to the profit and loss account on a straight line basis over the life of the contract.

2.5 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.

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.

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project when its future recoverability can be reasonably regarded as assured and is capitalised as an intangible asset. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Amortisation is provided on intangible fixed assets so as to write off the cost, less the estimated residual value, over their expected useful economic life. Development costs are written off over five years and computer software over two years, straight line.

Computer software developed in house, for in house use (IMS and Tracker) is written off over three years, straight line.

Computer software developed in house, for sale (Store Enabler) is written off over five years, straight line.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Leasehold improvements	- 9 years
Motor vehicles	- 3 years
Fixtures and fittings	- 3 years
Office equipment	- 3 years

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 the Consolidated Statement of Comprehensive Income.

2.7 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.11 Creditors

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

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling (£).

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.

On consolidation, the results of overseas operations are translated into Pounds Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 Finance costs

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

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income 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 Group in independently administered funds.

2.16 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 the Consolidated Statement of Comprehensive Income in the year that the Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.20 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 5 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.21 Financial instruments

The Group 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.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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

The critical judgements that the Director has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) *Assessing indicators of impairment*

In assessing whether there have been any indicators of impairment of assets, the Director has considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Estimating value in use*

Where an indication of impairment exists the Director will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the Director to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

(ii) *Recoverability of receivables*

The Company establishes a provision for receivables that are considered not to be recoverable. When assessing recoverability, the Director considers factors such as the aging of the receivables, past experience of recoverability and the credit profile of customers.

(iii) *Determining residual values and useful economic lives of property, plant and equipment*

The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for property, plant and equipment. When determining the residual value management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	13,037,653	11,827,082

All turnover arose within the United Kingdom.

5. Operating profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	187,151	159,655
Amortisation of intangible assets	237,545	159,874
Exchange differences	15,007	(4,786)
Research and development qualifying expenditure	282,709	394,002
Research and development (RDEC) credit	(81,205)	-
Operating lease rentals - land and buildings	206,213	207,376
Defined contribution pension cost	462,555	371,169

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor in respect of the audit of the Group's annual financial statements	15,500	15,900

Fees payable to the Group's auditor in respect of:

Accounts preparation services	1,050	1,000
iXBRL tagging	500	475
Other services relating to taxation	3,200	3,000
	4,750	4,475

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

7. Employees

Staff costs, including Director's remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	7,112,726	5,958,211	5,382,276	4,665,391
Social security costs	634,625	551,637	618,960	534,272
Cost of defined contribution scheme	462,555	371,169	341,917	279,628
	<u>8,209,906</u>	<u>6,881,017</u>	<u>6,343,153</u>	<u>5,479,291</u>

The average monthly number of employees, including the Director, during the year was as follows:

	2020 No.	2019 No.
Technical	299	248
Administration	40	42
	<u>339</u>	<u>290</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	67,114	223,328
Company contributions to defined contribution pension schemes	-	4,391
	<u>-</u>	<u>4,391</u>

During the year retirement benefits were accruing to no Directors (2019 - NIL) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £67,114 (2019 - £178,143).

9. Interest receivable

	2020 £	2019 £
Other interest receivable	5,657	3,331
	<u>5,657</u>	<u>3,331</u>

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	8,252	2,224

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	6,446	30,350
Adjustments in respect of previous periods	14,688	24,684
	21,134	55,034
Foreign tax		
Foreign tax	104,253	89,145
Foreign tax in respect of prior periods	(4,695)	-
	99,558	89,145
Total current tax	120,692	144,179
Deferred tax		
Origination and reversal of timing differences	(1,598)	44,297
Total deferred tax	(1,598)	44,297
Taxation on profit on ordinary activities	119,094	188,476

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	874,220	943,062
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	166,102	179,182
Effects of:		
Expenses not deductible for tax purposes	5,451	11,475
Depreciation for year in excess of capital allowances	-	7,208
Adjustments to tax charge in respect of prior periods	12,151	24,684
Deduction for R&D expenditure	(102,082)	(70,664)
Adjust deferred tax to average rate	-	(2,061)
Overseas tax differences	26,850	24,416
Other differences	10,622	14,236
Total tax charge for the year	119,094	188,476

There were no factors that may affect future tax charges.

The Finance Act 2020 enacted legislation to maintain the current rate of corporation tax at 19% up until at least the tax year ended April 2022.

12. Dividends

	2020 £	2019 £
Ordinary dividends paid	183,094	394,131

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £529,699 (2019 - £579,098).

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Intangible assets

Group

	Development £	Computer software £	Total £
Cost			
At 1 April 2019	1,073,299	790,079	1,863,378
Additions	442,588	41,831	484,419
Foreign exchange movement	(1,287)	-	(1,287)
At 31 March 2020	1,514,600	831,910	2,346,510
Amortisation			
At 1 April 2019	511,910	696,208	1,208,118
Charge for the year	173,945	63,600	237,545
Foreign exchange movement	(1,074)	-	(1,074)
At 31 March 2020	684,781	759,808	1,444,589
Net book value			
At 31 March 2020	829,819	72,102	901,921
At 31 March 2019	561,389	93,871	655,260

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. Intangible assets (continued)

Company

	Development £	Computer software £	Total £
Cost			
At 1 April 2019	1,053,331	781,300	1,834,631
Additions	447,266	41,405	488,671
At 31 March 2020	1,500,597	822,705	2,323,302
Amortisation			
At 1 April 2019	478,406	701,702	1,180,108
Charge for the year	176,990	62,199	239,189
At 31 March 2020	655,396	763,901	1,419,297
Net book value			
At 31 March 2020	845,201	58,804	904,005
At 31 March 2019	574,925	79,598	654,523

PAUL MASON CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2019	260,687	409,184	677,313	1,347,184
Additions	4,626	13,617	114,303	132,546
Disposals	-	(324)	(6,333)	(6,657)
Exchange adjustments	(6,201)	(2,642)	(8,072)	(16,915)
At 31 March 2020	259,112	419,835	777,211	1,456,158
Depreciation				
At 1 April 2019	84,204	279,190	476,242	839,636
Charge for the year	29,443	41,688	116,020	187,151
Disposals	-	(97)	(5,901)	(5,998)
Exchange adjustments	(2,003)	(862)	(4,554)	(7,419)
At 31 March 2020	111,644	319,919	581,807	1,013,370
Net book value				
At 31 March 2020	147,468	99,916	195,404	442,788
At 31 March 2019	176,483	129,994	201,071	507,548

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. Tangible fixed assets (continued)

Company

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2019	298,129	337,935	636,064
Additions	-	51,569	51,569
At 31 March 2020	298,129	389,504	687,633
Depreciation			
At 1 April 2019	242,939	284,774	527,713
Charge for the year	30,527	49,891	80,418
At 31 March 2020	273,466	334,665	608,131
Net book value			
At 31 March 2020	24,663	54,839	79,502
At 31 March 2019	55,190	53,161	108,351

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	110,197
At 31 March 2020	<u>110,197</u>
Net book value	
At 31 March 2020	<u>110,197</u>
At 31 March 2019	<u>110,197</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Paul Mason Consulting (India) Pvt. Ltd	6th/5th Floor, Corner Heights, Old Padra - Vadsar Ring Road, Adjoining DPS School Vadodara GJ 390012 IN	Ordinary	100%

The results of the investment in subsidiary are included in the consolidation of this set of financial statements.

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

17. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	3,509,206	2,449,288	3,509,206	2,449,288
Other debtors	174,667	178,454	5,072	4,483
Corporation tax repayable	127,909	42,451	127,909	42,451
Prepayments and accrued income	356,045	410,406	322,622	378,705
	<u>4,167,827</u>	<u>3,080,599</u>	<u>3,964,809</u>	<u>2,874,927</u>

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

18. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	126,809	409,187	870	380,613
Less: bank overdrafts	(208,986)	-	(208,986)	-
	<u>(82,177)</u>	<u>409,187</u>	<u>(208,116)</u>	<u>380,613</u>

PAUL MASON CONSULTING LIMITED

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FOR THE YEAR ENDED 31 MARCH 2020

19. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	208,986	-	208,986	-
Bank loans	74,203	40,800	74,203	40,800
Trade creditors	420,489	563,880	392,170	524,255
Amounts owed to group undertakings	-	-	373,316	218,240
Other taxation and social security	923,674	810,547	893,861	786,847
Other creditors	93,731	55,816	63,693	35,420
Accruals and deferred income	886,889	742,585	845,868	694,804
	<u>2,607,972</u>	<u>2,213,628</u>	<u>2,852,097</u>	<u>2,300,366</u>

The Group settled their existing loan during the year, subsequently securing a new loan facility totalling £300,000 with monthly repayments of £6,734. The loan is secured over the assets of the Company. The interest on the loan is charged at 3.70% per annum over the Bank of England Base Rate.

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

20. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	166,906	-	166,906	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

21. Loans

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Bank loans	74,203	40,800	74,203	40,800
	<u>74,203</u>	<u>40,800</u>	<u>74,203</u>	<u>40,800</u>
Amounts falling due 1-2 years				
Bank loans	166,906	-	166,906	-
	<u>241,109</u>	<u>40,800</u>	<u>241,109</u>	<u>40,800</u>

22. Financial instruments

Group financial assets measured at amortised cost amount to £3,925,041 (2019 - £3,207,251). This consists of cash, trade debtors, other debtors and accrued income.

Group financial liabilities measured at amortised cost amount to £1,170,308 (2019 - £1,403,081). This consists of the bank loan, overdraft facility, trade creditors, other creditors and accruals.

The Company's financial assets measured at amortised cost amount to £3,629,507 (2019 - £3,061,549). This consists of cash, trade debtors, amounts owed by group undertakings, other debtors and accrued income.

The Company's financial liabilities measured at amortised cost amount to £1,444,246 (2019 - £1,513,519). This consists of the bank loan, overdraft facility, trade creditors, amounts owed to group undertakings, other creditors and accruals.

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

23. Deferred taxation

Group

	2020 £
At beginning of year	(74,060)
Charged to profit or loss	862
At end of year	<u>(73,198)</u>

Company

	2020 £
At beginning of year	(99,407)
Charged to profit or loss	(3,976)
At end of year	<u>(103,383)</u>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(83,872)	(85,035)	(109,321)	(105,083)
Short term timing differences	10,674	10,975	5,938	5,676
	<u>(73,198)</u>	<u>(74,060)</u>	<u>(103,383)</u>	<u>(99,407)</u>

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

24. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
225,000 (2019 - 225,000) Ordinary A shares of £0.01 each	2,250	2,250
77,400 (2019 - 88,353) Ordinary B shares of £0.01 each	774	884
9,000 (2019 - 15,579) Ordinary C shares of £0.01 each	90	156
18,330 (2019 - 30,518) Ordinary D shares of £0.01 each	183	305
7 (2019 - 0) Ordinary G shares of £0.01 each	-	-
	<u>3,297</u>	<u>3,595</u>

Rights and preferences of each share class

Ordinary A, B and C shares have full voting rights.

Ordinary B and C shares can be fully redeemed.

Ordinary D and G shares have no voting rights, no rights to dividends and no pre-emption rights.

Share Issue

During the year, 2,620 Ordinary D shares of nominal value £0.01 were issued in respect of EMI share options for total consideration of £8,567. During the year, 7 G shares of nominal £0.01 were issued for a total consideration of £0.07.

Share buyback

During the year the Company bought back 6,579 Ordinary C shares of nominal value £0.01 for total consideration of £147,000.

Cancellation of Treasury Shares

During the year, 10,953 Ordinary B shares of £0.01 nominal, 6,579 Ordinary C shares of £0.01 nominal, and 14,808 Ordinary D shares of £0.01 nominal were cancelled. The total nominal cancelled was £323.40, a total debit to the profit and loss account for the transaction being £413,122.

NOTES TO THE FINANCIAL STATEMENTS
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25. Share options

No EMI options (2019: 0) were granted in the year.

The following share options were exercised in the year:

2,620 (2019: 21,710) EMI options were exercised on 7th September 2019 to 10 (2019: 11) employees, with an exercise price of £3.28 per share.

The following share options remain unexpired having been granted in prior periods:

2,070 (2019: 2,070) EMI options granted on 11 October 2010 to 12 (2019: 12) employees, with an exercise price of £4.11 per share.

1,518 (2019: 1,518) EMI options granted on 17 January 2012 to 14 (2019: 14) employees, with an exercise price of £2.83 per share.

3,000 (2019: 3,000) EMI options granted on 11 October 2013 to 1 (2019: 1) employees, with an exercise price of £0.67 per share.

5,762 (2019: 5,762) EMI options granted on 9 March 2015 to 6 (2019: 6) employees, with an exercise price of £1.84 per share.

1,245 (2019: 1,245) EMI options granted on 9 December 2016 to 1 (2019: 1) employee with an exercise price of £2.10.

If the options remain unexercised after a period of 10 years from the grant date, the options expire. The options also lapse on the date the holder ceases to be an employee of the Company.

No charge has been included in these financial statements as it is deemed to be immaterial.

26. Reserves

Share premium account

The Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

The Capital redemption reserve represents the redemption of shares previously issued.

Profit and loss account

The Profit and loss account includes all current and prior period retained profits and losses.

27. Pension commitments

The Group operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Group to the fund and amounted to £462,555 (2019 - £371,169). Contributions totalling £41,139 (2019 - £33,389) were payable to the fund at the reporting date and are included in creditors.

PAUL MASON CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

28. Commitments under operating leases

At 31 March 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	183,570	210,126	88,250	88,250
Later than 1 year and not later than 5 years	44,125	223,782	44,125	132,375
	<u>227,695</u>	<u>433,908</u>	<u>132,375</u>	<u>220,625</u>

29. Related party transactions

Dividends of £183,094 (2019 - £394,131) were paid to officers of the Group.

Exemption has been taken under FRS 102 from the requirement to disclose transactions with the wholly owned subsidiary undertaking.

30. Post balance sheet events

During March 2020, a global pandemic was declared arising from the outbreak of COVID-19. As the pandemic started prior to the year end balance sheet valuations have accounted for the Director's assessment of the impact of COVID-19. The Director has put plans in place to mitigate the impact to the Group which are disclosed in the Strategic Report on page 3.

31. Controlling party

The Group is controlled by Paul & Iris Mason by virtue of their majority shareholding.