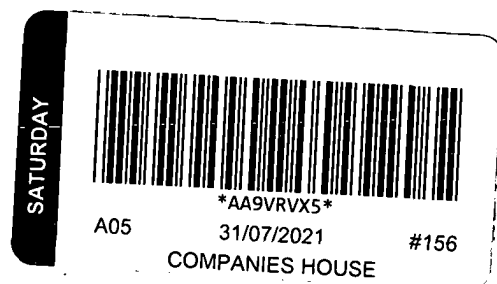

PAUL MASON CONSULTING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



PAUL MASON CONSULTING LIMITED

COMPANY INFORMATION

Directors	Paul Mason Simon Curtis (appointed 26 February 2021) Richard Lowe (appointed 26 February 2021)
Company secretary	Iris Mason
Registered number	04144304
Registered office	30-32 Blacklands Way Abingdon Business Park Abingdon Oxfordshire OX14 1DY
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

PAUL MASON CONSULTING LIMITED

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PAUL MASON CONSULTING LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

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.

For companies globally the 2020 and 2021 years have been like no other due to the COVID-19 pandemic's wide ranging impact to the society and markets in which we operate.

At the outset of the pandemic, the Board and Management adopted a set of strategic objectives and an approach to operating our business that safeguarded our people, protected our ongoing investments in key programs and, importantly, continued to provide high quality services to our customers.

Our focus was to actively prioritise cash flow over in-year profitability and to continue to invest, with a view to the eventual recovery and the technology transformation opportunities that exist for our customers in the medium term.

The Board is pleased that each of these objectives were achieved across the year:

- Our people rapidly adopted remote working in both the UK and India. We have continued to grow the workforce throughout the pandemic, whilst remaining safe.
- We maintained our key investments in both portfolio and go to market expansion.
- We have maintained high quality transformation delivery and service performance across the year, whilst supporting customers financially where necessary.
- PMC has delivered a full year EBITDA of £10,643 (before restructuring costs and purchase of share options) and operating cashflow of £1,328,887 before intercompany loan
- PMC has delivered revenue and EBITDA in Q1 2021/2022 in line with pre-Covid levels with an improving trend going into Q2 2021/2022

Our markets were severely impacted by the pandemic. As a significant number of retail stores were forced to close during successive lockdowns, many of PMC's customers paused transformation projects and/ or requested extended payment terms and contractual support, in order to help them navigate the crisis.

PMC worked closely with customers to offer both extended payment terms and or invoicing discounts in return for extensions to our support contracts, so as to provide reasonable commercial support, whilst also protecting our ability to continue to serve all customers. In consequence to the above actions, revenue fell by 28.9% to £9.3m following seven successive years of growth. The majority of this revenue decline happened during the first four months of the financial year, with a steady recovery in revenue across latter quarters.

During the financial year, gross margins fell by 31.2% from £4.8m to £3.3m due to the impact of this revenue reduction, offset by management interventions. This followed significant gross margin growth in previous years. Fixed costs were managed carefully in accordance with our operating objectives, reducing from £4.0m to £3.8m during the period. Consequently, EBITDA fell from £1.3m in 2019/20 to £0.01m (before restructuring costs and purchase of share options) in 2020/21.

PAUL MASON CONSULTING LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

The Board is pleased that the business was able to support its investment in continuity for our customers and our people. All key customers were retained ensuring we have a solid base to build from and our customer base has continued to grow since the end of financial year.

Key developments during the year**Management**

PMC has continued to invest in recruitment of expertise, skills and talent to support our ambition. During the year we have continued to increase focus on new business sales expansion with further new senior hires in this area.

Staff Numbers

Staff numbers at year end were increased to 368, with 90 employees in the UK and 278 in India, reflecting our ongoing investment in relevant skills to support the needs of our customers.

Homeworking (with limited use of office space) was established following the pandemic with service to customers unaffected.

Our offices remain our principal work style and the business will safely migrate back to office based working across 2021, with adoption of additional flexibility where required to support our people and customers.

We are confident that we can continue to recruit in both of our markets so as to support the high rate of growth we are now experiencing.

Customers

The business has continued to develop its customer relationships and partnerships during the year, with five new customer logos won during the financial year and no material losses. This supports the business to focus on longer term growth while continuing to deliver growth from technology project and services activity with existing customers.

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.

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. We have expanded the range of technologies our staff are trained in. 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.

Research and Development

In addition to investing in the skills of our people, we continue to invest in delivering tools and infrastructure to support the deployment of scalable and resilient microservices.

In particular, the launch of our Cloud and Microservices delivery capability during the year has already attracted three new logo customers and a solid set of new customer opportunities, as we can both support the development transformation needs of our customers, together with providing the tools and infrastructure to deliver and support it.

Ownership Structure

In February 2021, a new legal entity, PMC Global Holdings Limited, was incorporated and acquired 100% of the share capital of Paul Mason Consulting. The ultimate shareholders of the Group remain the same under this new structure.

PAUL MASON CONSULTING LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Looking forwards

Following the reopening of non-essential retail in April 2021 and the growing confidence in social and economic recovery, sales pipeline levels have recovered significantly.

Expectations for the current 2021/22 financial year are that the business will return to and surpass previous levels of revenue and profitability, as evidenced in current trading performance. As of June 2021, the business revenue and operating profit has recovered to trading at pre-pandemic levels.

The Board is confident that subject to improving vaccination rates globally and economic recovery that the business is well positioned to take advantage of the rapid transformation that is occurring in our markets.

Ultimately, the pandemic will present us with an enormous opportunity as retailers accelerate their transformations and seek further strategic cost savings opportunities to fund this level of change. This is a substantial point in time from which to grow our footprint of technology services, supporting the ongoing digital and cost transformation needs of our customers.

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.

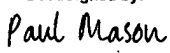
PAUL MASON CONSULTING LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Going Concern

The Board frequently monitors the sales pipeline, costs and cash flow and is satisfied that there is strong future visibility in terms of revenue, profit and cash flow over the short and medium term.

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

DocuSigned by:

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Paul Mason
Director

Date: 7/30/2021

PAUL MASON CONSULTING LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The loss for the year, after taxation, amounted to £363,914 (2020 - profit £755,126).

Dividends of £Nil were declared and paid in the year (2020 - £183,094), no other dividends were declared at the year end. The decision was made to withhold dividends normally distributed post year-end in relation to 2020/21 due to the impact of COVID-19.

Directors

The Directors who served during the year were:

Paul Mason
Simon Curtis (appointed 26 February 2021)
Richard Lowe (appointed 26 February 2021)

PAUL MASON CONSULTING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Charitable contributions

During the year the Group made charitable donations totalling £13,046 (2020 - £18,931) which were as follows:

	2021 £	2020 £
Adoption UK (PMC UK)	-	3,426
Other (PMC UK)	-	1,200
Akshar Trust (PMCI)	13,046	14,117
Other (PMCI)	-	188
	<u>13,046</u>	<u>18,931</u>

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.

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 and key performance indicators.

PAUL MASON CONSULTING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' 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 auditors are unaware, and
- he has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

No post balance sheet events to note.

Auditors

The auditors, 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.

DocuSigned by:

9C23F4783B3947E...
Paul Mason
Director

Date: 7/30/2021

PAUL MASON CONSULTING LIMITED

INDEPENDENT AUDITORS' 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 2021 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 2021 and of the Group's loss 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 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.

Conclusions relating to going concern

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

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

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

PAUL MASON CONSULTING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAUL MASON CONSULTING LIMITED

Other information

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 Directors' 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 Directors' 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 of the 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 Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 AUDITORS' REPORT TO THE MEMBERS OF PAUL MASON CONSULTING LIMITED

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are 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 directors determine 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 directors are responsible for assessing the Group's or the 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 either the directors intend to liquidate the Group or the Parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transaction.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

PAUL MASON CONSULTING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAUL MASON CONSULTING LIMITED

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 (Partner) (Jul 30, 2021 11:06 GMT+1)

Gareth Jones
(Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: Jul 30, 2021

PAUL MASON CONSULTING LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	9,273,785	13,037,653
Cost of sales		(6,336,459)	(8,265,741)
Gross profit		2,937,326	4,771,912
Administrative expenses		(3,857,620)	(3,976,591)
Other operating income	5	396,003	81,494
Restructuring cost		(34,228)	-
Operating (loss)/profit	6	(558,519)	876,815
Interest receivable and similar income	10	4,925	5,657
Interest payable and expenses	11	(7,185)	(8,252)
(Loss)/profit before tax		(560,779)	874,220
Tax on loss/(profit)	12	196,865	(119,094)
(Loss)/profit for the financial year		(363,914)	755,126
Currency revaluation on consolidation		(80,290)	(7,262)
Other comprehensive loss for the year		(80,290)	(7,262)
Total comprehensive (loss)/profit for the year		(444,204)	747,864

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 22 to 46 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 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	15	908,939	901,921
Tangible assets	16	307,433	442,788
		<u>1,216,372</u>	<u>1,344,709</u>
Current assets			
Debtors: amounts falling due within one year	18	3,549,358	4,167,827
Cash at bank and in hand	19	731,027	126,809
		<u>4,280,385</u>	<u>4,294,636</u>
Creditors: amounts falling due within one year	20	(2,223,529)	(2,607,972)
Net current assets		<u>2,056,856</u>	<u>1,686,664</u>
Total assets less current liabilities		<u>3,273,228</u>	<u>3,031,373</u>
Creditors: amounts falling due after more than one year	21	(898,604)	(166,906)
Provisions for liabilities			
Deferred tax	24	-	(73,198)
		<u>-</u>	<u>(73,198)</u>
Net assets		<u><u>2,374,624</u></u>	<u><u>2,791,269</u></u>
Capital and reserves			
Called up share capital	25	3,432	3,297
Share premium account	27	337,166	309,742
Capital redemption reserve	27	326	326
Profit and loss account	27	2,033,700	2,477,904
		<u>2,374,624</u>	<u>2,791,269</u>

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

DocuSigned by:

Paul Mason

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Paul Mason

Director

Date: 7/30/2021

The notes on pages 22 to 46 form part of these financial statements.

PAUL MASON CONSULTING LIMITED
REGISTERED NUMBER: 04144304

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	15	907,453	904,005
Tangible assets	16	28,837	79,502
Investments	17	110,197	110,197
		<u>1,046,487</u>	<u>1,093,704</u>
Current assets			
Debtors: amounts falling due within one year	18	3,371,174	3,964,809
Cash at bank and in hand	19	583,472	870
		<u>3,954,646</u>	<u>3,965,679</u>
Creditors: amounts falling due within one year	20	(2,743,555)	(2,852,097)
Net current assets		<u>1,211,091</u>	<u>1,113,582</u>
Total assets less current liabilities		<u>2,257,578</u>	<u>2,207,286</u>
Creditors: amounts falling due after more than one year	21	(898,604)	(166,906)
Provisions for liabilities			
Deferred taxation	24	(6,307)	(103,383)
		<u>(6,307)</u>	<u>(103,383)</u>
Net assets		<u><u>1,352,667</u></u>	<u><u>1,936,997</u></u>


PAUL MASON CONSULTING LIMITED
REGISTERED NUMBER: 04144304

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	25	3,432	3,297
Share premium account	27	337,166	309,742
Capital redemption reserve	27	326	326
Profit and loss account brought forward		1,623,632	1,690,188
(Loss)/profit for the year		(612,854)	529,699
Other changes in the profit and loss account		965	(596,255)
		<u>1,011,743</u>	<u>1,623,632</u>
Profit and loss account carried forward		<u><u>1,352,667</u></u>	<u><u>1,936,997</u></u>

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

Paul Mason
Director

DocuSigned by:

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Date:

7/30/2021

The notes on pages 22 to 46 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	3,297	309,742	326	2,477,904	2,791,269
Comprehensive loss for the year					
Loss for the year	-	-	-	(363,914)	(363,914)
Exchange differences on retranslation	-	-	-	(80,290)	(80,290)
Total comprehensive loss for the year	-	-	-	(444,204)	(444,204)
Exercise of share options	135	27,424	-	-	27,559
Total transactions with owners	135	27,424	-	-	27,559
At 31 March 2021	3,432	337,166	326	2,033,700	2,374,624

The notes on pages 22 to 46 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 loss for the year						
Profit for the year	-	-	-	-	755,126	755,126
Exchange differences on retranslation	-	-	-	-	(7,262)	(7,262)
Total comprehensive loss 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 22 to 46 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

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

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	3,297	309,742	326	1,623,632	1,936,997
Comprehensive loss for the year					
Loss for the year	-	-	-	(612,854)	(612,854)
Currency translation differences	-	-	-	1,162	1,162
Other profit and loss movement	-	-	-	(197)	(197)
Total comprehensive loss for the year	-	-	-	(611,889)	(611,889)
Exercise of share options	135	27,424	-	-	27,559
Total transactions with owners	135	27,424	-	-	27,559
At 31 March 2021	3,432	337,166	326	1,011,743	1,352,667

The notes on pages 22 to 46 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 loss for the year						
Profit for the year	-	-	-	-	529,699	529,699
Currency translation differences	-	-	-	-	(39)	(39)
Total comprehensive loss for the year	-	-	-	-	529,660	529,660
Contributions by and distributions to owners						
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	<u>3,297</u>	<u>309,742</u>	<u>326</u>	<u>-</u>	<u>1,623,632</u>	<u>1,936,997</u>

The notes on pages 22 to 46 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(363,914)	755,126
Adjustments for:		
Amortisation of intangible assets	345,138	237,544
Depreciation of tangible assets	163,530	187,151
Loss on disposal of intangible/tangible assets	5,767	607
Interest paid	7,185	8,252
Interest received	(4,925)	(5,657)
Taxation charge	(196,865)	119,094
Decrease/(increase) in debtors	1,797,839	(1,082,975)
(Decrease)/increase in creditors	(319,777)	151,955
Corporation tax (paid)	(55,283)	(124,208)
Exchange differences	(49,808)	2,014
Net cash generated from operating activities	<u>1,328,887</u>	<u>248,903</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(358,799)	(484,419)
Purchase of tangible fixed assets	(57,780)	(132,546)
Sale of tangible fixed assets	-	485
Interest received	4,925	5,657
Net cash from investing activities	<u>(411,654)</u>	<u>(610,823)</u>
Cash flows from financing activities		
Proceeds from share issue	27,559	8,594
New secured loans	950,000	300,000
Repayment of loans	(73,983)	(99,691)
Dividends paid	-	(183,094)
Interest paid	(7,185)	(8,252)
Repurchase of shares	-	(147,000)
Intercompany loan to parent	(1,000,420)	-
Net cash generated from/(used in) financing activities	<u>(104,029)</u>	<u>(129,443)</u>

PAUL MASON CONSULTING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Net increase/(decrease) in cash and cash equivalents	813,204	(491,363)
Cash and cash equivalents at beginning of year	(82,177)	409,187
Cash and cash equivalents at the end of year	<u>731,027</u>	<u>(82,176)</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	731,027	126,809
Bank overdrafts	-	(208,985)
	<u>731,027</u>	<u>(82,176)</u>

The notes on pages 22 to 46 form part of these financial statements.

PAUL MASON CONSULTING LIMITED

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

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.

PAUL MASON CONSULTING LIMITED

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

2. Accounting policies (continued)**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 Directors have prepared the financial statements on the going concern basis as they believe 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 Directors have 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 Directors conclude that they can continue to adopt the going concern basis of preparation for the financial statements.

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 Consolidated Statement of Comprehensive Income on a straight line basis over the life of the contract.

PAUL MASON CONSULTING LIMITED

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

2. Accounting policies (continued)**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 sale (CIEP (Cloud Integration Enabler Platform)) is written off over five years, straight line.

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
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.

PAUL MASON CONSULTING LIMITED

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

2. Accounting policies (continued)**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.

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.

PAUL MASON CONSULTING LIMITED

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

2. Accounting policies (continued)**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.

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.

PAUL MASON CONSULTING LIMITED

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

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.

2.21 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

PAUL MASON CONSULTING LIMITED

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

2. Accounting policies (continued)**2.22 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.

PAUL MASON CONSULTING LIMITED

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

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 2021**

4. Turnover

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

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	9,273,785	13,037,653
	<u>9,273,785</u>	<u>13,037,653</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Other operating income	69	81,494
Furlough grant	395,934	-
	<u>396,003</u>	<u>81,494</u>

6. Operating (loss)/profit

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

	2021 £	2020 £
Depreciation of tangible fixed assets	163,530	187,151
Amortisation of intangible assets	345,138	237,545
Exchange differences	896	15,007
Research and development qualifying expenditure	198,335	282,709
Research and development (RDEC) credit	-	(81,205)
Operating lease rentals - land and buildings	198,571	206,213
Defined contribution pension cost	460,353	462,555
	<u>1,366,823</u>	<u>1,301,975</u>

PAUL MASON CONSULTING LIMITED

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

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor in respect of the audit of the Group's annual financial statements	14,500	15,500
Fees payable to the Group's auditor in respect of:		
Accounts preparation services	950	1,050
iXBRL tagging	450	500
Other services relating to taxation	3,505	3,200
	<u>4,905</u>	<u>4,750</u>

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £
Wages and salaries	6,613,027	7,112,726
Social security costs	562,807	634,625
Cost of defined contribution scheme	460,353	462,555
	<u>7,636,187</u>	<u>8,209,906</u>

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

	2021 No.	2020 No.
Technical	309	299
Administration	40	40
	<u>349</u>	<u>339</u>

PAUL MASON CONSULTING LIMITED

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

9. Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	98,928	67,114
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 2 Directors (2020 - NIL) in respect of defined contribution pension schemes.

The highest paid Director received £58,532 (2020 - £67,114).

10. Interest receivable

	2021	2020
	£	£
Other interest receivable	4,925	5,657
	<u> </u>	<u> </u>

11. Interest payable and similar expenses

	2021	2020
	£	£
Bank interest payable	7,185	8,252
	<u> </u>	<u> </u>

PAUL MASON CONSULTING LIMITED

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

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(144,153)	6,446
Adjustments in respect of previous periods	(49,471)	14,688
	<u>(193,624)</u>	<u>21,134</u>
Foreign tax		
Foreign tax	96,563	104,253
Foreign tax in respect of prior periods	-	(4,695)
	<u>96,563</u>	<u>99,558</u>
Total current tax	<u>(97,061)</u>	<u>120,692</u>
Deferred tax		
Origination and reversal of timing differences	(155,207)	(1,598)
Adjustments in respect of prior periods	55,403	-
Total deferred tax	<u>(99,804)</u>	<u>(1,598)</u>
Taxation on (loss)/profit on ordinary activities	<u>(196,865)</u>	<u>119,094</u>

PAUL MASON CONSULTING LIMITED

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

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	(560,779)	874,220
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(106,548)	166,102
Effects of:		
Expenses not deductible for tax purposes	10,545	5,451
Adjustments to tax charge in respect of prior periods	5,747	12,151
Deduction for R&D expenditure	(106,764)	(102,082)
Overseas tax differences	(116,491)	26,850
Deferred tax not recognised	146,541	-
Other differences	-	10,622
Surrender of tax losses for R&D tax credit refund	44,737	-
Other permanent differences	(74,632)	-
Total tax charge for the year	(196,865)	119,094

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

13. Dividends

	2021 £	2020 £
Ordinary dividends paid	-	183,094

14. 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 loss after tax of the parent Company for the year was £612,854 (2020 - profit £529,699).

PAUL MASON CONSULTING LIMITED

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

15. Intangible assets**Group**

	Development £	Computer software £	Total £
Cost			
At 1 April 2020	1,514,600	831,910	2,346,510
Additions	303,017	55,782	358,799
Disposals	-	(5,750)	(5,750)
Foreign exchange movement	(4,882)	-	(4,882)
At 31 March 2021	<u>1,812,735</u>	<u>881,942</u>	<u>2,694,677</u>
Amortisation			
At 1 April 2020	684,781	759,808	1,444,589
Charge for the year on owned assets	246,420	98,718	345,138
Foreign exchange movement	(3,989)	-	(3,989)
At 31 March 2021	<u>927,212</u>	<u>858,526</u>	<u>1,785,738</u>
Net book value			
At 31 March 2021	<u>885,523</u>	<u>23,416</u>	<u>908,939</u>
At 31 March 2020	<u>829,819</u>	<u>72,102</u>	<u>901,921</u>

PAUL MASON CONSULTING LIMITED

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

15. Intangible assets (continued)**Company**

	Development £	Computer software £	Total £
Cost			
At 1 April 2020	1,500,597	822,705	2,323,302
Additions	296,587	55,642	352,229
Disposals	-	(5,750)	(5,750)
At 31 March 2021	<u>1,797,184</u>	<u>872,597</u>	<u>2,669,781</u>
Amortisation			
At 1 April 2020	655,396	763,901	1,419,297
Charge for the year	246,746	96,285	343,031
At 31 March 2021	<u>902,142</u>	<u>860,186</u>	<u>1,762,328</u>
Net book value			
At 31 March 2021	<u>895,042</u>	<u>12,411</u>	<u>907,453</u>
At 31 March 2020	<u>845,201</u>	<u>58,804</u>	<u>904,005</u>

PAUL MASON CONSULTING LIMITED

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16. Tangible fixed assets**Group**

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2020	259,112	419,835	777,211	1,456,158
Additions	40	-	57,740	57,780
Disposals	-	-	(318)	(318)
Exchange adjustments	(21,105)	(9,913)	(31,578)	(62,596)
At 31 March 2021	<u>238,047</u>	<u>409,922</u>	<u>803,055</u>	<u>1,451,024</u>
Depreciation				
At 1 April 2020	111,644	319,919	581,807	1,013,370
Charge for the year on owned assets	27,624	28,130	107,776	163,530
Disposals	-	-	(302)	(302)
Exchange adjustments	(9,093)	(3,784)	(20,130)	(33,007)
At 31 March 2021	<u>130,175</u>	<u>344,265</u>	<u>669,151</u>	<u>1,143,591</u>
Net book value				
At 31 March 2021	<u>107,872</u>	<u>65,657</u>	<u>133,904</u>	<u>307,433</u>
At 31 March 2020	<u>147,468</u>	<u>99,916</u>	<u>195,404</u>	<u>442,788</u>

PAUL MASON CONSULTING LIMITED

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16. Tangible fixed assets (continued)**Company**

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2020	298,129	389,504	687,633
Additions	-	11,111	11,111
At 31 March 2021	298,129	400,615	698,744
Depreciation			
At 1 April 2020	273,466	334,665	608,131
Charge for the year on owned assets	18,041	43,735	61,776
At 31 March 2021	291,507	378,400	669,907
Net book value			
At 31 March 2021	6,622	22,215	28,837
At 31 March 2020	24,663	54,839	79,502

PAUL MASON CONSULTING LIMITED

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

17. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	110,197
At 31 March 2021	<u>110,197</u>
Net book value	
At 31 March 2021	<u>110,197</u>
At 31 March 2020	<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
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18. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,709,903	3,509,206	1,709,903	3,509,206
Amounts owed by group undertakings	1,000,421	-	1,000,420	-
Other debtors	323,067	174,667	200,285	5,072
Corporation tax repayable	92,087	127,909	92,087	127,909
Prepayments and accrued income	396,643	356,045	368,479	322,622
Deferred taxation	27,237	-	-	-
	<u>3,549,358</u>	<u>4,167,827</u>	<u>3,371,174</u>	<u>3,964,809</u>

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

19. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	731,027	126,809	583,472	870
Less: bank overdrafts	-	(208,986)	-	(208,986)
	<u>731,027</u>	<u>(82,177)</u>	<u>583,472</u>	<u>(208,116)</u>

PAUL MASON CONSULTING LIMITED

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20. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	-	208,986	-	208,986
Bank loans	218,522	74,203	218,522	74,203
Trade creditors	356,727	420,489	305,130	392,170
Amounts owed to group undertakings	-	-	659,907	373,316
Other taxation and social security	774,104	923,674	745,706	893,861
Other creditors	76,153	93,731	70,218	63,693
Accruals and deferred income	798,023	886,889	744,072	845,868
	<u>2,223,529</u>	<u>2,607,972</u>	<u>2,743,555</u>	<u>2,852,097</u>

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

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	<u>898,604</u>	<u>166,906</u>	<u>898,604</u>	<u>166,906</u>

PAUL MASON CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	218,522	74,203	218,522	74,203
	<u>218,522</u>	<u>74,203</u>	<u>218,522</u>	<u>74,203</u>
Amounts falling due 1-2 years				
Bank loans	898,604	166,906	898,604	166,906
	<u>898,604</u>	<u>166,906</u>	<u>898,604</u>	<u>166,906</u>
	<u>1,117,126</u>	<u>241,109</u>	<u>1,117,126</u>	<u>241,109</u>

The Group secured a new CBILS loan facility totalling £950,000 with monthly repayments of £15,833.33 plus interest. The interest on the loan is charged at 3.99% per annum over the Bank of England Base Rate.

23. Financial instruments

Group financial assets measured at amortised cost amount to £3,694,701 (2020 - £3,925,041). This consists of cash, trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Group financial liabilities measured at amortised cost amount to £1,791,630 (2020 - £1,170,308). 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 £3,424,364 (2020 - £3,629,507). 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 £2,340,055 (2020 - £1,444,246). 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 2021**

24. Deferred taxation**Group**

	2021 £
At beginning of year	(73,198)
Charged to profit or loss	100,435
At end of year	<u><u>27,237</u></u>

Company

	2021 £
At beginning of year	(103,383)
Charged to profit or loss	97,076
At end of year	<u><u>(6,307)</u></u>

The deferred taxation balance is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	(74,760)	(83,872)	(103,568)	(109,321)
Short term timing differences	101,997	10,674	97,261	5,938
	<u><u>27,237</u></u>	<u><u>(73,198)</u></u>	<u><u>(6,307)</u></u>	<u><u>(103,383)</u></u>

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25. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
225,000 (2020 - 225,000) Ordinary A shares of £0.01 each	2,250	2,250
77,400 (2020 - 77,400) Ordinary B shares of £0.01 each	774	774
9,000 (2020 - 9,000) Ordinary C shares of £0.01 each	90	90
31,810 (2020 - 18,330) Ordinary D shares of £0.01 each	318	183
7 (2020 - 7) Ordinary G shares of £0.01 each	-	-
	<u>3,432</u>	<u>3,297</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, 13,480 Ordinary D shares of nominal value £0.01 were issued in respect of EMI share options.

26. Share options

No EMI options (2020 - 0) were granted in the year.

The following share options were exercised in the year:

1,955 (2020 - 2,070) EMI options granted on 11 October 2010 to 11 (2020 - 12) employees, with an exercise price of £4.11 per share.

1,518 (2020 - 1,518) EMI options granted on 17 January 2012 to 14 (2020 - 14) employees, with an exercise price of £2.83 per share.

3,000 (2020 - 3,000) EMI options granted on 11 October 2013 to 1 (2020 - 1) employees, with an exercise price of £0.67 per share.

5,762 (2020 - 5,762) EMI options granted on 9 March 2015 to 6 (2020 - 6) employees, with an exercise price of £1.84 per share.

1,245 (2020 - 1,245) EMI options granted on 9 December 2016 to 1 (2020 - 1) employee with an exercise price of £2.10

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27. 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.

28. Pension commitments

The Group operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Group to the fund amounted to £460,353 (2020 - £462,555). Contributions totalling £35,589 (2020 - £41,139) were payable to the fund at the reporting date and are included in creditors.

29. Commitments under operating leases

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	95,585	183,570	80,896	88,250
Later than 1 year and not later than 5 years	300,022	44,125	242,688	44,125
	<u>395,607</u>	<u>227,695</u>	<u>323,584</u>	<u>132,375</u>

30. Related party transactions

Dividends of £Nil (2020 - £183,094) 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.

31. Post balance sheet events

No post balance sheet events to note.

PAUL MASON CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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32. Controlling party

Paul Mason Consulting Ltd is owned wholly by PMC Global Holdings Ltd following a purchase of 100% of the share capital on 26th February 2021.