

COMPANY REGISTRATION NUMBER: 07828487

NIU SOLUTIONS HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017



NIU SOLUTIONS HOLDINGS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

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NIU SOLUTIONS HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr T W Chambers (Resigned 30 April 2017)
Mr S A Ledgerwood (Resigned 23 February 2018)
Mr D G Quantrell (Resigned 30 April 2017)
Mr K Lewis (Appointed 23 February 2018)
Mr S Payne (Appointed 23 February 2018)
Mr A Watkins (Appointed 23 February 2018)
Mr I Jarvis (Appointed 23 February 2018)

Registered office

Lynton House
Tavistock Square
London
England
WC1H 9BQ

Auditor

BSG Valentine (UK) LLP
Chartered Accountants & Statutory Auditor
Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

NIU SOLUTIONS HOLDINGS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2017

The directors present their strategic report of the company, NIU Solutions Holdings Limited and its subsidiary undertaking (the "group") for the year ended 31 December 2017.

Principal activities

The group provides innovative and agile IT solutions to mid-market companies (start-up to 5,000 employees) and has particular focus and expertise in the finance sector. Specialising in scalable, cloud-based infrastructure and network solutions, our portfolio extends to offer clients a full range of managed IT services. With over 80 skilled employees the company's mission is to give its clients the "Freedom to Succeed". The ability to focus on their business rather than the managing of their own IT. These solutions include:

- Expert Consulting: IT Architecture Design, System Integration and Security Compliance Audits & Resources.
- Flexible Infrastructure: Cloud and Hybrid Services, data Protection and Data Management Services, Data Network Services, Monitoring, Fix and Reporting Services.
- User Productivity: Voice and Other Collaboration Services, Secure Remote Access and Desktop Management.

Partnerships with key technology providers form the bedrock of many of our services and include long-held relationships with IBM, Microsoft, VMWare, Orange and Colt.

Review of the business

Group revenue in the year was £16.5m (2016: £15.7m), of which £3.5m (2016: £2.5m) was related to professional services or the supply of products in support of the implementation of new contracts, representing 21% of revenues. The balancing 79% or £13.0m (2016: £13.2m) represents revenue streams that are recurring in nature. Our contracts associated to these revenues typically run for between 3 and 5 years.

The key financial highlights are as follows:

	2017 £	2016 £
Turnover	16,504,568	15,694,856
Loss Before Tax	4,018,124	7,970,207

- Turnover growth has increased to 5%, compared to a decrease of 16% in 2016.
- Gross profit margin has decreased to 56%, compared to 59% in 2016.
- Current ratio has decreased to 0.56, compared to 0.57 in 2016.

The directors consider the results for the year to be satisfactory.

Events after the reporting period

After the year end, the group was acquired by Computer Systems Integration Group Limited and now forms part of the CSI Group.

Principal risks and uncertainties

The principal risks and uncertainties are detailed on the Directors' report.

NIU SOLUTIONS HOLDINGS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2017

This report was approved by the board of directors on24.9.18..... and signed on behalf of the board by:



Mr K Lewis
Director

Registered office:
Lynton House
Tavistock Square
London
England
WC1H 9BQ

NIU SOLUTIONS HOLDINGS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements of the group for the year ended 31 December 2017.

Principal activities

The principal activity of the company during the year was that of a holding company.

Directors

The directors who served the company during the year were as follows:

Mr S A Ledgerwood

Mr T W Chambers (Resigned 30 April 2017)

Mr D G Quantrell (Resigned 30 April 2017)

The directors who were appointed by the company since the year end were as follows:

- Mr K Lewis (Appointed 23 February 2018)
- Mr S Payne (Appointed 23 February 2018)
- Mr A Watkins (Appointed 23 February 2018)
- Mr I Jarvis (Appointed 23 February 2018)

The directors who resigned the company since the year end were as follows:

- Mr S A Ledgerwood (Resigned 23 February 2018)

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The group will continue to focus on its principal activity's detailed on page 2 of the financial statements.

The company will continue its role as a holding company.

NIU SOLUTIONS HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2017

Financial instruments

The group holds or issues financial instruments in order to achieve its objectives.

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks.

See accounting policies for further details regarding financial instruments.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk.

The group actively seeks to limit the possible adverse effects on the financial performance of the group by the constant monitoring of cash. The group does not use derivative financial instruments to manage interest rate costs and consequently no hedge accounting is applied.

Credit risk

The group's trading operations are subject to the risk of customer bad debts which could affect group liquidity and profitability. This is mitigated by the operation of a strong debt control process, key account management to monitor the financial risk and the collection of major debts in advance of the performance of service.

Interest rate risk

The group has interest bearing assets. Interest bearing assets include only cash balances that earn interest at a floating rate. The company has no interest bearing liabilities.

Liquidity and cash flow risk

The group maintains a daily review of its cash position together with short to long term projections in order to ensure that the group has sufficient available funds for operations.

Price risk

All expenditure made by the group is authorised by management in order to ensure it is valid and relevant to the group's activities and that the best price is achieved. Expenditure budgets are properly maintained.

Research and development

The group continues to spend a great deal of time, effort and money investing in creating and capturing its IP and solving IT issues for our customers.

Disclosure of information in the strategic report

The company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 can be found on page 2 of the financial statements.

Directors' responsibilities statement

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

NIU SOLUTIONS HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2017

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 24.9.18 and signed on behalf of the board by:


Mr K Lewis
Director

Registered office:
Lynton House
Tavistock Square
London
England
WC1H 9BQ

NIU SOLUTIONS HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIU SOLUTIONS HOLDINGS
LIMITED**

YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of NIU Solutions Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 December 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the 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.

NIU SOLUTIONS HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIU SOLUTIONS HOLDINGS
LIMITED (continued)**

YEAR ENDED 31 DECEMBER 2017

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. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

NIU SOLUTIONS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIU SOLUTIONS HOLDINGS LIMITED (continued)

YEAR ENDED 31 DECEMBER 2017

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 and 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 the directors either 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

NIU SOLUTIONS HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIU SOLUTIONS HOLDINGS
LIMITED (continued)**

YEAR ENDED 31 DECEMBER 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our 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.

BSG Valentine UK LLP

Daniel Burke (Senior Statutory Auditor)

For and on behalf of
BSG Valentine (UK) LLP
Chartered Accountants & Statutory Auditor
Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

24.9.18

NIU SOLUTIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	16,504,568	15,694,856
Cost of sales		(7,271,475)	(6,496,600)
Gross profit		<u>9,233,093</u>	<u>9,198,256</u>
Administrative expenses		(13,226,040)	(17,089,965)
Operating loss	5	(3,992,947)	(7,891,709)
Other interest receivable and similar income	9	744	2,155
Interest payable and similar expenses	10	(25,921)	(80,653)
Loss before taxation		<u>(4,018,124)</u>	<u>(7,970,207)</u>
Tax on loss	11	395,743	479,432
Loss for the financial year and total comprehensive income		<u>(3,622,381)</u>	<u>(7,490,775)</u>

All the activities of the group are from continuing operations.

The notes on pages 18 to 30 form part of these financial statements.

NIU SOLUTIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	12	4,043,436	4,955,889
Tangible assets	13	1,638,877	2,847,685
		<u>5,682,313</u>	<u>7,803,574</u>
Current assets			
Debtors	15	2,548,330	4,213,288
Cash at bank and in hand		769,173	162,112
		<u>3,317,503</u>	<u>4,375,400</u>
Creditors: amounts falling due within one year	17	<u>5,931,140</u>	<u>7,768,807</u>
Net current liabilities		<u>2,613,637</u>	<u>3,393,407</u>
Total assets less current liabilities		<u>3,068,676</u>	<u>4,410,167</u>
Creditors: amounts falling due after more than one year	18	<u>—</u>	<u>434,654</u>
Net assets		<u>3,068,676</u>	<u>3,975,513</u>
Capital and reserves			
Called up share capital	21	33,640	33,640
Share premium account	22	14,120,757	14,120,757
Other reserves, including the fair value reserve	22	9,315,544	6,600,000
Profit and loss account	22	(20,401,265)	(16,778,884)
Shareholders funds		<u>3,068,676</u>	<u>3,975,513</u>

These financial statements were approved by the board of directors and authorised for issue on 24.9.18, and are signed on behalf of the board by:



Mr K Lewis
Director

Company registration number: 07828487

The notes on pages 18 to 30 form part of these financial statements.

NIU SOLUTIONS HOLDINGS LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	14	4,078,000	10,757,298
Current assets			
Debtors	15	114,491	469,942
Cash at bank and in hand		347	347
		<u>114,838</u>	<u>470,289</u>
Creditors: amounts falling due within one year	17	<u>1,019,979</u>	<u>3,590,080</u>
Net current liabilities		<u>905,141</u>	<u>3,119,791</u>
Total assets less current liabilities		<u>3,172,859</u>	<u>7,637,507</u>
Creditors: amounts falling due after more than one year	18	<u>—</u>	<u>434,654</u>
Net assets		<u><u>3,172,859</u></u>	<u><u>7,202,853</u></u>
Capital and reserves			
Called up share capital	21	33,640	33,640
Share premium account	22	14,120,757	14,120,757
Other reserves, including the fair value reserve	22	9,315,544	6,600,000
Profit and loss account	22	(20,297,082)	(13,551,544)
Shareholders funds		<u><u>3,172,859</u></u>	<u><u>7,202,853</u></u>

The loss for the financial year of the parent company was £6,745,538 (2016: £667,862 profit).

These financial statements were approved by the board of directors and authorised for issue on 24.9.18, and are signed on behalf of the board by:



Mr K Lewis
Director

Company registration number: 07828487

The notes on pages 18 to 30 form part of these financial statements.

NIU SOLUTIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Share premium account £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
At 1 January 2016	33,640	14,120,757	1,000,000	(9,288,109)	5,866,288
Loss for the year				(7,490,775)	(7,490,775)
Total comprehensive income for the year	—	—	—	(7,490,775)	(7,490,775)
Issue of bonus shares	—	—	5,600,000	—	5,600,000
Total investments by and distributions to owners	—	—	5,600,000	—	5,600,000
At 31 December 2016	33,640	14,120,757	6,600,000	(16,778,884)	3,975,513
Loss for the year				(3,622,381)	(3,622,381)
Total comprehensive income for the year	—	—	—	(3,622,381)	(3,622,381)
Issue of bonus shares	—	—	2,715,544	—	2,715,544
Total investments by and distributions to owners	—	—	2,715,544	—	2,715,544
At 31 December 2017	<u>33,640</u>	<u>14,120,757</u>	<u>9,315,544</u>	<u>(20,401,265)</u>	<u>3,068,676</u>

The notes on pages 18 to 30 form part of these financial statements.

NIU SOLUTIONS HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Share premium account £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
At 1 January 2016	33,640	14,120,757	1,000,000	(14,219,406)	934,991
Profit for the year				667,862	667,862
Total comprehensive income for the year	—	—	—	667,862	667,862
Issue of bonus shares	—	—	5,600,000	—	5,600,000
Total investments by and distributions to owners	—	—	5,600,000	—	5,600,000
At 31 December 2016	33,640	14,120,757	6,600,000	(13,551,544)	7,202,853
Loss for the year				(6,745,538)	(6,745,538)
Total comprehensive income for the year	—	—	—	(6,745,538)	(6,745,538)

The company statement of changes in equity
continues on the following page.
The notes on pages 18 to 30 form part of these financial statements.

NIU SOLUTIONS HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY *(continued)*
YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Share premium account £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
Issue of bonus shares	—	—	2,715,544	—	2,715,544
Total investments by and distributions to owners	—	—	2,715,544	—	2,715,544
At 31 December 2017	<u>33,640</u>	<u>14,120,757</u>	<u>9,315,544</u>	<u>(20,297,082)</u>	<u>3,172,859</u>

The notes on pages 18 to 30 form part of these financial statements.

NIU SOLUTIONS HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Loss for the financial year		(3,622,381)	(7,490,775)
<i>Adjustments for:</i>			
Depreciation of tangible assets		1,468,398	1,679,475
Amortisation of intangible assets		1,029,794	1,029,198
Other interest receivable and similar income		(744)	(2,155)
Interest payable and similar expenses		25,921	80,653
Tax on loss		(395,743)	(479,432)
Accrued income		(707,007)	(53,882)
Other operating cash flow adjustment		–	(774,026)
<i>Changes in:</i>			
Trade and other debtors		1,664,958	2,133,565
Trade and other creditors		(1,184,176)	(1,650,838)
Cash generated from operations		(1,720,980)	(5,528,217)
Interest paid		(25,921)	(80,653)
Interest received		744	2,155
Tax received		395,743	1,000,273
Net cash used in operating activities		<u>(1,350,414)</u>	<u>(4,606,442)</u>
Cash flows from investing activities			
Purchase of tangible assets		(259,590)	(1,250,950)
Purchase of intangible assets		(117,341)	(48,262)
Net cash used in investing activities		<u>(376,931)</u>	<u>(1,299,212)</u>
Cash flows from financing activities			
Proceeds from borrowings		(347,345)	(347,344)
Other financing cash flow adjustment		2,715,544	5,600,000
Net cash from financing activities		<u>2,368,199</u>	<u>5,252,656</u>
Net increase/(decrease) in cash and cash equivalents		640,854	(652,998)
Cash and cash equivalents at beginning of year		128,319	781,317
Cash and cash equivalents at end of year	16	<u>769,173</u>	<u>128,319</u>

The notes on pages 18 to 30 form part of these financial statements.

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Lynton House, Tavistock Square, London, WC1H 9BQ, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The groups parent undertaking, Computer Systems Integration Group Limited has confirmed that it will continue to provide financial assistance to the group for a minimum of 12 months from the approval of these financial statements. Based on this the directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of NIU Solutions Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

NIU SOLUTIONS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2017

3. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

Key sources of estimation uncertainty

The key assumptions with regard to accounting estimates, that have the most significant effect on amounts recognised in the financial statements are as follows:

- Revenue recognition - revenue is accrued and deferred, based upon the right to consideration having been earned as detailed in the revenue recognition accounting policy below.
- Fixed assets - Where possible indications of impairment exist, fixed asset carrying values are assessed by reference to the realisable amount and the value in use of the individual assets concerned.
- Depreciation/amortisation - the estimated consumption of the economic benefit of fixed assets is based upon the expected useful economic life of an asset, less any anticipated residual values.
- Trade debt recovery - the requirement for provisions for bad or doubtful debts is based upon a line by line review of trade debtors considering anticipated recovery.
- Accruals - accrued costs are based upon the actual post year end cost, or the best estimate thereof, of obligations at the year end invoice.
- Taxation - taxation is provided for based upon reasonable estimates, using applicable rates applied to the expected taxable profit.
- Deferred taxation - the amount of any deferred tax assets to be recognised is based upon the expectation and timing of future taxable profits.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	Over 10 years
Computer software	-	3 - 5 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

Research expenditure is written off in the period in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	-	Over the term of the lease
Fixtures and fittings	-	10 - 25% reducing balance or over a period of 5 years
Equipment	-	3 - 5 years straight line

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017 £	2016 £
Sale of goods	3,524,480	2,459,303
Rendering of services	12,980,088	13,235,553
	<u>16,504,568</u>	<u>15,694,856</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2017 £	2016 £
United Kingdom	15,169,023	15,206,350
Overseas	1,335,545	488,506
	<u>16,504,568</u>	<u>15,694,856</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2017 £	2016 £
Amortisation of intangible assets	1,029,794	1,029,198
Depreciation of tangible assets	1,468,398	1,679,475
Impairment of trade debtors	53,195	—
Foreign exchange differences	<u>(10,251)</u>	<u>27,310</u>

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>63,000</u>	<u>25,000</u>

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Management staff	1	2
Sales	13	21
Operations	45	56
Administration	26	40
	<u>85</u>	<u>119</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	5,684,609	7,779,768
Social security costs	717,045	1,077,343
Other pension costs	105,561	138,598
	<u>6,507,215</u>	<u>8,995,709</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	235,298	343,006
Company contributions to defined contribution pension plans	6,633	11,236
	<u>241,931</u>	<u>354,242</u>

Remuneration of the highest paid director in respect of qualifying services:

	2017	2016
	£	£
Aggregate remuneration	160,000	192,823
Company contributions to defined contribution pension plans	4,800	5,700
	<u>164,800</u>	<u>198,523</u>

9. Other interest receivable and similar income

	2017	2016
	£	£
Interest on cash and cash equivalents	<u>744</u>	<u>2,155</u>

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

10. Interest payable and similar expenses

	2017 £	2016 £
Interest on banks loans and overdrafts	<u>25,921</u>	<u>80,653</u>

11. Tax on loss

Major components of tax income

	2017 £	2016 £
Current tax:		
UK current tax income	(395,743)	(1,253,458)
Deferred tax:		
Origination and reversal of timing differences	—	774,026
Tax on loss	<u>(395,743)</u>	<u>(479,432)</u>

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%).

	2017 £	2016 £
Loss on ordinary activities before taxation	<u>(4,018,123)</u>	<u>(7,970,207)</u>
Loss on ordinary activities by rate of tax	(773,489)	(1,594,042)
Adjustment to tax charge in respect of prior periods	—	(774,026)
Effect of expenses not deductible for tax purposes	258,726	193,523
Effect of capital allowances and depreciation	(83,662)	—
Unused tax losses	895,381	—
Surrender of losses for R&D credit	228,428	181,853
enhanced R&D deduction	(525,384)	(373,770)
Deferred tax asset not provided	—	1,887,030
R&D Tax credit	(395,743)	—
Tax on loss	<u>(395,743)</u>	<u>(479,432)</u>

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2017

12. Intangible assets

Group	Goodwill £	Development costs £	Total £
Cost			
At 1 January 2017	9,316,193	456,680	9,772,873
Additions	–	117,341	117,341
Disposals	–	(290,202)	(290,202)
At 31 December 2017	<u>9,316,193</u>	<u>283,819</u>	<u>9,600,012</u>
Amortisation			
At 1 January 2017	4,494,934	322,050	4,816,984
Charge for the year	931,619	98,175	1,029,794
Disposals	–	(290,202)	(290,202)
At 31 December 2017	<u>5,426,553</u>	<u>130,023</u>	<u>5,556,576</u>
Carrying amount			
At 31 December 2017	<u>3,889,640</u>	<u>153,796</u>	<u>4,043,436</u>
At 31 December 2016	<u>4,821,259</u>	<u>134,630</u>	<u>4,955,889</u>

The company has no intangible assets.

13. Tangible assets

Group	Long leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2017	87,508	700,220	7,041,928	7,829,656
Additions	–	–	259,590	259,590
Disposals	–	(218,890)	(3,967,178)	(4,186,068)
Transfers	–	257,730	(257,730)	–
At 31 December 2017	<u>87,508</u>	<u>739,060</u>	<u>3,076,610</u>	<u>3,903,178</u>
Depreciation				
At 1 January 2017	87,508	490,897	4,403,566	4,981,971
Charge for the year	–	214,581	1,253,817	1,468,398
Disposals	–	(218,890)	(3,967,178)	(4,186,068)
Transfers	–	(117,642)	117,642	–
At 31 December 2017	<u>87,508</u>	<u>368,946</u>	<u>1,807,847</u>	<u>2,264,301</u>
Carrying amount				
At 31 December 2017	<u>–</u>	<u>370,114</u>	<u>1,268,763</u>	<u>1,638,877</u>
At 31 December 2016	<u>–</u>	<u>209,323</u>	<u>2,638,362</u>	<u>2,847,685</u>

The company has no tangible assets.

Included within tangible fixed assets are £355,217 (2016: £579,397) net book value of assets that are held specifically to service customer contracts.

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

14. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 January 2017 and 31 December 2017	<u>10,757,298</u>
Impairment	
At 1 January 2017	–
Impairment losses	<u>6,679,298</u>
At 31 December 2017	<u><u>6,679,298</u></u>
Carrying amount	
At 31 December 2017	<u>4,078,000</u>
At 31 December 2016	<u><u>10,757,298</u></u>

The subsidiary undertaking listed below is consolidated within the group financial statements.

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
Subsidiary undertakings		
NIU Solutions Limited	Ordinary	100

15. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	707,419	1,607,939	–	–
Deferred tax asset	672,395	672,395	25,836	25,836
Prepayments and accrued income	693,014	982,674	–	–
Corporation tax repayable	395,536	479,224	88,655	88,655
Other debtors	79,966	471,056	–	355,451
	<u>2,548,330</u>	<u>4,213,288</u>	<u>114,491</u>	<u>469,942</u>

16. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017	2016
	£	£
Cash at bank and in hand	769,173	162,112
Bank overdrafts	–	(33,793)
	<u>769,173</u>	<u>128,319</u>

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

17. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	434,184	380,668	434,184	346,875
Trade creditors	1,590,828	2,477,059	—	—
Amounts owed to group undertakings	—	—	564,253	3,218,832
Accruals and deferred income	3,248,487	3,955,494	21,542	24,373
Social security and other taxes	273,694	548,412	—	—
Other creditors	383,947	407,174	—	—
	<u>5,931,140</u>	<u>7,768,807</u>	<u>1,019,979</u>	<u>3,590,080</u>

The bank loan is secured by a fixed and floating charge over the assets of the company.

Loans from group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	—	434,654	—	434,654

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in debtors (note 15)	<u>672,395</u>	<u>672,395</u>	<u>25,836</u>	<u>25,836</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	(646,559)	(646,559)	—	—
Unused tax losses	<u>(25,836)</u>	<u>(25,836)</u>	<u>(25,836)</u>	<u>(25,836)</u>
	<u>(672,395)</u>	<u>(672,395)</u>	<u>(25,836)</u>	<u>(25,836)</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £98,928 (2016: £127,362).

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

21. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary A shares of £0.20 each	60,000	12,000	60,000	12,000
Ordinary Class B1 shares of £0.45 each	16,000	7,200	16,000	7,200
Ordinary Class B2 shares of £0.01 each	24,000	240	24,000	240
A Preference Shares shares of £0.001 each	13,004,041	13,004	13,004,041	13,004
B Preference Shares shares of £0.001 each	1,095,959	1,096	1,095,959	1,096
C Preference Shares shares of £0.01 each	10,000	100	10,000	100
	<u>14,210,000</u>	<u>33,640</u>	<u>14,210,000</u>	<u>33,640</u>

On 29 February 2012 the following new classes of A preference and B preference shares of £0.001 each were authorised, the rights of which are set out in the amended articles of association of the company. Also on this date the company authorised and issued 13,004,041 A preference shares of £0.001 each and 1,095,959 B preference shares of £0.001 each such shares having the rights as set out in the company's articles of association.

On 27 June 2012 the following new classes of B1 ordinary shares of £0.45 each, A ordinary shares of £0.20 each and B2 ordinary and management value shares of £0.01 each were authorised, the rights of which are set out in the amended articles of association of the company. The one issued ordinary share of £1.00 in the capital of the company was subdivided into five ordinary shares of £0.20 each and then each was re-designed as A ordinary shares of £0.20 each in the capital of the company. Also on this date the company authorised and issued 59,995 A ordinary shares of £0.20 each, 16,000 B1 ordinary shares of £0.45 each, 23,000 B2 ordinary shares of £0.01 each and 9,714 management value shares of £0.01 each such shares having the rights as set out in the company's articles of association.

On 19 December 2012 the company authorised and issued 1,000 B2 ordinary shares of £0.01 each and 286 management value shares of £0.01 each such shares having the rights as set out in the company's articles of association

The share premium arising from the issue of C preference shares and the A & B preference shares was £34,900 and £14,085,900 respectively.

On 8 December 2015 the company received equity investment of £1,000,000 by way of rights enhancement to the A preference shares from the majority shareholder.

On various dates through 2016 the company received equity investments totalling £5,600,000 by way of rights enhancement to the A preference shares from the majority shareholder. This is classified as other reserves within equity.

In 2017 the company received equity investment of £2,715,544 by way of rights enhancement to the A preference shares from the majority shareholder. This is classified as other reserves within equity.

NIU SOLUTIONS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2017

22. Reserves

Called up share capital - This represents the nominal value of shares that have been issued.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Other reserves - This relates to equity investments by way of rights enhancement to the A preference shares from the majority shareholder.

Profit and loss account - This reserve records retained earnings and accumulated losses.

23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	601,322	986,662	—	—
Later than 1 year and not later than 5 years	—	908,503	—	—
	<u>601,322</u>	<u>1,895,165</u>	<u>—</u>	<u>—</u>

24. Related party transactions

Company

The company has taken advantage of the exemption allowed under the Financial Reporting Standard 102 not to disclose related party transactions between wholly owned members of the same group of companies.

The company has taken advantage of the exemption allowed under the Financial Reporting Standard 102 with regard disclosure of key management compensation.

Group

During the year the group was invoiced £25,716 by NCC Group PLC, a company related by virtue of common directorship, in relation to consultancy services provided.

25. Controlling party

The immediate parent company is Computer Systems Integration Group Limited.

The ultimate parent company is CSI Topco Limited.

The company is controlled by R H Brooks and J A Read by virtue of their control of MML Capital Partners LLP. MML Capital Partners LLP controls CSI Topco Limited via a majority shareholding.

At the balance sheet date the immediate and ultimate parent company in the group was NIU Solutions Holdings Limited, the consolidated financial statements of NIU Solutions Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate controlling party was Valtez Limited by virtue of its indirect ownership of Harper Limited which is the majority beneficial shareholder in the group.