BLUJAY SOLUTIONS Soaring Performance.

BluJay Solutions Group Holdings Ltd

Number 08035563

Annual Report and Financial Statements For the Year-Ended 31 March 2020

BLUJAY SOLUTIONS *Soaring Performance.*

Corporate Information

BluJay has offices across the globe

Asia Pacific	**Europe**	**North America**
Australia	Belgium	Canada
Hong Kong	Denmark	Massachusetts
India	Germany	Michigan
Japan	Netherlands	
New Zealand	Spain	
People's Republic of China	Switzerland	
Singapore	United Kingdom	

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Registered number **08035563**

Strategic Report

The Directors of the Company (the "Directors") present their Annual Report, together with the financial statements of the Company and its subsidiaries (together "the Group") and Independent Auditor's Report, for the year ended 31 March 2020 ("the Reporting Period"). The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

These financial statements are presented in United States dollars because the Company has determined that dollars are the presentation currency which best reflects the activities of the group as a whole.

Strategic and Business Review

The Group is required by the Companies Act 2006 to include a business review in this report. This includes an analysis of the development and performance of the Group during the financial year and its position at the end of the financial year, including relevant key performance indicators as defined below, being principally revenue, recurring revenue as a percentage of total revenue(2), adjusted EBITDA (3) and adjusted operating profit(4).

Principal activities

The principal activities of the Group during the Reporting Period were, and will continue to be, the provision of software and associated services. BluJay delivers solutions that give customers the insight, agility and tools they need to deliver better customer service and streamline global supply chain execution. A global company, BluJay, via its multimodal transportation management platform, accelerates the speed, accuracy and transparency of global logistics, transportation and warehousing. Our software solutions and deep domain knowledge enable our customers to drive revenue growth and measurable cost savings.

Since 1972, BluJay has delivered global trade and logistics solutions to some of the most sophisticated companies in the world. Over 6,000 companies use BluJay Solutions in more than 100 countries globally.

Trading performance – key indicators

	Reporting period ended 31 March 2020	Reporting period ended 31 March 2019
Revenue	**$167.6m**	$161.5m
Revenue at constant currency(1)	**$170.6m**	$161.5m
Recurring revenue as % of total(2)	**76%**	75%
SaaS platform revenues(3)	**$101.2m**	$93.0m
SaaS platform revenues at constant currency(1)	**$102.7m**	$93.0m
Adjusted EBITDA(4)	**$56.5m**	$47.3m
Adjusted EBITDA at constant currency	**$58.2m**	$47.3m
Adjusted operating profit(5)	**$53.3m**	$47.9m
Operating profit / (loss)	**$24.1m**	$22.7m
Loss before tax	**$5.9m**	$6.0m

(1) Revenue at constant currency assumes that average exchange rates for the year ended 31 March 2020 were identical to those for the year ended 31 March 2019.

(2) Recurring revenue is defined as annually contracted revenue (Software as a Service, Logistics as a Service and maintenance).

(3) SaaS platform revenues are Software as a Service and Logistics as a Service revenues.

(4) Adjusted EBITDA is operating profit before depreciation of $3.3m (2019: $2.8m), amortisation of other intangibles of $19.7m (2019: $20.7m), reorganisation and exceptional costs of $5.4m (2019: $2.8m), acquisition net cost of $1.2m (2019: $1.7m), and foreign currency loss of $2.8m (2019: gain of $3.4m). The Directors regard this as providing additional useful information on trends in underlying performance.

(5) Adjusted operating profit is Adjusted EBITDA, as (4) above, less depreciation of $3.3m (2019: $2.8m).

Trading performance - review of the year

Revenue of $167.6m is up on prior year (2019: $161.5m), due to strong organic growth. SaaS platform revenues[(1)] are $101.2m (2019: $93.0m). Revenues increased by 5.7% at constant currency over the prior year. Additionally, revenues increase due to including a full year of revenue for the CSF, Grosvenor and Era acquisitions which were completed in FY19 (see below).

Adjusted EBITDA margins increased from 29.3% to 33.7% from 2019 to 2020. The strong revenue performance, combined with effective cost control ensured that Adjusted EBITDA at constant currency reached $58.2m (2019: $47.3m) representing growth of 23%.

Business improvements necessitated continuing investment, and the incurring of certain one-off costs. Further information on these one-off items is provided in note 1 to the financial statements. As well as these one-off charges, there were non-cash items charged in the reporting period in respect of the amortisation of intangibles. Taken together, these have resulted in an overall operating profit but a loss before tax.

Expedient Software Pty Limited

On 20 December 2019, BluJay group entered into a Share Sale Deed with Gavin Millman & Associates (Aust.) Pty Ltd. On 28 February 2020, the BluJay group completed the acquisition and changed the name to Expedient Software Pty Limited (Expedient). Expedient is a leading provider of customs and forwarding software for the logistics market in Australia and New Zealand. With the acquisition, BluJay broadens its customs and forwarding technology offerings, along with its presence in the Asia-Pacific region.

Prospects

The Directors see prospects for the BluJay group as being very healthy.

As well as continually enhanced products, technology and domain skills, all of which will significantly improve an already market leading position, the Group continues to be supported by the resources and expertise of Francisco Partners and Temasek, in particular in assisting the group to explore additional acquisition opportunities and providing the necessary resources for further future investment and growth.

For the industry as a whole, the Directors believe that the ever increasing complexity of global trade and the continuing introduction of demanding new regulations and legislation will result in ongoing demand for its products and services.

Cash flow, banking facilities and financial position

Prior to investing activities, financing and tax payments, cash generated from operating activities in the year ended 31 March 2020 was $59.7m (2019: $40.3m). After covering interest and tax payments, a total of $28.3m (2019: 8.3m) was available to fund required capital expenditures and meet scheduled debt repayments.

The reported cash inflow for the year was $16.2m (2019: inflow $5.5m).

Closing cash in hand was $29.0m (2019: $13.2m), on top of which the Group had access to a $2.4m remaining on the revolving credit facilities.

During the year to 31 March 2020 the Group added additional term loans for the acquisition of Expedient. As disclosed in note 17, the debt outstanding was $320,529,000. The current credit facilities were provided through a syndicate led by TPG Specialty Lending Europe I Advisors Ltd. The term loan facilities include US dollar denominated loans originally totalling $170,000,000, pounds sterling denominated loans originally totalling £35,166,579 and euro denominated loans totalling €96,900,648. There is a revolving credit facilities of $20,000,000.

Consolidated net liabilities at 31 March 2020 amounted to $124.8m (2019: $122.0m). This situation partly arises because BluJay Solutions Group Holdings Ltd is funded by a parent company loan of $39.4m/£31.7m (2019: $37.3m/£28.6m) rather than by equity subscription. The parent undertaking of BluJay Solutions Group Holdings has confirmed that they will continue to provide such financial support as necessary to BluJay Solutions Group Holdings to enable the Group to pay its debts as and when they become due, and, furthermore, that they will not demand repayment of the loan or any other amounts payable by BluJay Solutions Group Holdings Ltd until such time as the Group is able to repay such amounts without detriment to its operation as a going concern.

(1) SaaS platform revenues are Software as a Service and Logistics as a Service revenues.

Principal Risks and Uncertainties

The principal risks and uncertainties associated with the Group's activities are set out below.

Strategic Risks – the main strategic risks to BluJay Solutions' business arise from deterioration in general economic conditions, increased competition and the consolidation of key customers.

If economic conditions worsen, demand for BluJay Solutions' products and services may fall, meaning that growth in revenues and profits is reduced or reversed. Increased competition in the form of new products and services launched by competitors could also reduce revenues and therefore profits. In addition, consolidation among BluJay Solutions' customers could also reduce revenues as merged companies look for cost savings by reducing the number of systems they operate. The Group's management is aware of Brexit and is considering any impact that Brexit may have on its UK business. A large portion of the Group's business is not affected as it is located in the Americas and Asia-Pacific regions. Potential opportunities may arise if custom arrangement become complex. Group's management is also actively managing against the global economic downturn due to COVID-19. Overall, the Group has not experienced significant customer losses due to COVID-19 since the Group's software is considered mission critical by many of its customers. The Group's employees are able to work remotely so operations have continued seamlessly for the most part. See Going Concern section in Directors' Report for additional discussion related to COVID-19.

To mitigate the impact of reduced demand for BluJay Solutions' products and services, the Group continues to invest in the development of new products and in identifying, negotiating and completing acquisitions to maintain its competitive advantage. In addition, the Group plans to continue to increase the proportion of its revenue arising from more stable recurring revenue streams such as Software as a Service ("SaaS") and hosted products.

Operational Risks – Key operational risks involve the delivery and support of customer projects as delays can in turn reduce revenue and profit recognition. In providing SaaS, the Group is reliant on a number of third party suppliers that provide data centres. The provision of SaaS products hosted on BluJay Solutions managed servers is critical to the Group's strategy of growing recurring revenues. To mitigate against the risk of data centre failure, and to ensure that a high level of service is provided to our SaaS customers, the Group's Support Services teams are required to continually monitor service levels and review the disaster recovery plans that are currently in place. Where these are found to be inadequate, corrective action is taken. In addition, the Group has a number of data centre locations with no significant geographic concentration. Cyber-attacks are other operational risks the Group faces. The Group monitors and addresses potential cyber-attacks through its own security team and maintains adequate insurance for cyber-attacks. As with all companies in software companies, there is from time to time a risk of potential litigation arising from in areas such as patents, customers, or employee matters. Management evaluates each potential litigation item to determine if reserves should be established. As of the balance sheet date, there is no litigation item matter that management has determined requires disclosure or a provision. Additional operational risks lie in customers suffering financial failure or alternatively key person loss within the Group.

Financial Risks – The main financial risks arising from the Group's activities are set out below.

Market risks are inherent in the use of debt capital, interest rate cash flow risk for example, on top of which, in the course of its normal activities, the Group is routinely exposed to a variety of other financial risks including counterparty credit risk, liquidity risk and foreign currency risk.

The Group monitors these risks primarily through cash flow forecasting and sensitivity analysis, with a central treasury function identifying and evaluating financial risks in close co-operation with the Group's main operational functions. For counterparty credit risk, exposure levels and credit limits applicable to each bank or customer are reviewed on a regular basis. The use of simple financial derivatives is considered in order to hedge specific financial risk where cost effective to do so.

The Group had bank borrowings outstanding totalling $338,173,000 (gross of fees) at 31 March 2020, which was the term loan debt of $320,529,000 and revolving credit debt of $17,644,000.

The Group remains exposed to interest rate fluctuations in relation to its borrowings (as detailed above and in note 17), but will actively monitor this exposure going forwards with a view to putting in place interest rate hedges where deemed beneficial. As an illustration, each 0.1% increase in the relevant base above a 0.5% base would add approximately $320,000 to the total interest expense for the next twelve months.

The Group's borrowings are denominated in a mixture of US dollars, pounds sterling and euros. This matches closely the Group's underlying cash generation, so mitigating significantly any economic currency risk on servicing the debt. However, given a US dollar presentation currency for the consolidated financial statements, the group may experience significant non-cash foreign exchange retranslation variances in the presentation of its debt going forwards. The degree of exposure, along with further details of the other financial risks, is outlined in note 19 to the financial statements.

Section 172(1) Statement

Section 172(1) of the Companies Act 2006 (Section 172) is one of the statutory duties that directors have and requires them to promote the success of the Group for the benefit of shareholders as a whole while taking into account the interests of other stakeholders and, in so doing, have regard to the matters set out in Section 172(1)(a) to (f). These include the long term consequences of decisions, colleague interests, the need to foster the Group's business relationships with suppliers, customers and others; the impact on community and the environment and the Company's reputation. Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172. We delegate authority for day-to-day management of the Group to executives and then engage in management setting, approving, and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the Group's activities and make decisions. Information about the Group's stakeholders is available throughout this report and, in particular, in the Stakeholder and Corporate Governance and Corporate Social Responsibility sections.

Corporate Governance and Stakeholders

The Board has always considered the impact of its decisions on the stakeholders, but even more so following the recent focus of section 172 of Companies Act 2006. As discussed in the Corporate Social Responsibility section, employees and the environment are considered in decision making. Additionally, business ethics are key to the Group's business decisions.

Corporate Social Responsibility

The Group recognises the increasing importance of Corporate Social Responsibility (CSR) and environmental policies to a significant number of its stakeholders and recognises the importance of, and business benefits that can be derived from, good CSR and environmental practice. Key aspects of the Group's CSR policy are as follows:

- *Employee Involvement and Motivation*

The Directors recognise the importance of recruiting and retaining a high calibre and motivated workforce and involving all employees in the performance and development of the Group. Accordingly, it is the policy of management to develop and encourage employee involvement throughout the Group by regular communication from the executive team and between employees within divisions of the Group, with the Chief Executive Officer and Chief Financial Officer making periodic presentations in staff locations and regularly visiting the various divisional offices, which have been conducted through video conferencing during the COVID-19 pandemic but will start again in person as soon as medically safe to do so. In addition, the Group has a corporate bonus plan to reward for employees who are not on individual incentive plan. This corporate bonus plan pays out for over-achievement of EBITDA to Budget and, in this way, permits employees to benefit from the success of the business. The Group is committed to being an equal opportunity employer in accordance with applicable international, federal, state, and local laws. Employment is based upon personal capabilities and qualifications without discrimination because of race, colour, genetic information, religious creed, gender, pregnancy, national origin, ancestry, age, veteran status, marital status, sexual orientation, disability or any other protected characteristic as established by applicable international, federal, state and local laws. This equal employment opportunity commitment is related to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment.

- *Business Ethics*

The Group seeks to be honest and fair, as well as lawful, in all its business dealings with third parties. In particular, the Board does not believe that the giving or accepting of bribes can ever be justified, wherever in the world it may take place. In furtherance of these principles the Board has adopted Anti Bribery and Foreign Corrupt Practices Act policies. In addition, the Group has adopted a series of further measures designed to prevent bribery and corruption not just by its employees but also by third parties in or relating to its business, including ensuring customers and partners agree to anti-bribery provisions as part of our contractual relationships. In 2020, the Group launched a Global Code of Conduct and complaint reporting line as well.

- *Environmental Issues*

As the nature of the Group's operational activities are of comparatively minimal environmental impact the Group has not adopted a formal environmental policy. However, the Group seeks to meet its statutory requirements and to apply good environmental practice by encouraging recycling of waste and minimising the use of paper by the use of electronic mail in communications. In addition, the Group has implemented a number of environmental initiatives in that all offices have introduced recycling (waste management) policies. The Group relies upon tight cost control to minimise, where possible, energy use and air travel and continues to believe that this is a very effective mechanism for reducing the environmental impact of the Group's operations. Furthermore the Board believes that the very nature of the Group's products and services, in automating supply chain execution, positively impact the environment. This is an intuitive assessment based upon the Board's knowledge of the business process rationalisation resulting from the introduction by clients of the Group's products and services (i.e. replacement of labour intensive paper-based systems with electronic trading and shipping solutions), although it believes that any quantitative assessment would be difficult and prohibitively costly to conduct.

By Order of the Board

Joy Meier

Joy Burkholder-Meier
Company Secretary
23 July 2020

Directors' Report

Financial Results and Dividends

The Group's loss for the period was $7,334,000 (2019: $11,699,000). The full results for the Reporting Period, which were approved by the Board of Directors on 23 July 2020, are set out in the accompanying financial statements and the notes thereto.

The Directors do not recommend that a dividend be paid in respect of the year ended 31 March 2020 (2019: no dividends paid).

Share Capital

Details of the issued share capital of the Company, including movements during the period and the number of shares in issue at the end of the year, are shown in note 21. At 31 March 2020 the share capital stood at 10,000 ordinary shares of £1 each (2019: 10,000 ordinary shares of £1 each).

Board of Directors

The names of the Directors of the Company who served during the period are listed below.

Deep Shah
Adam Solomon
Andrew David Kirkwood

Directors' Beneficial Interest in Shares

No director holds shares in the Company directly. The beneficial interests of the Directors in the share capital of the parent company as at each of 1 April 2019, 31 March 2020 and 23 July 2019, as recorded in the register of that company in accordance with the provisions of the Companies Act 2006 (as amended) were as follows:

	1 April 2019, 31 March 2020 and 23 July 2020 C Ordinary Shares of 0.1p each
Andrew Kirkwood	2,129,186

Research and Development

The level of development spend in the period was $17.3m (2019: $15.1m). Some of this development is jointly funded by individual, or groups of, users. Development costs of $9.7m (2019: $7.7m) were capitalised in the period (see also note 8), representing an internally-generated intangible asset, recognised in accordance IAS 38: Intangible Assets.

Financial Instruments

The financial risk management strategy of the Group, its exposure to currency risk, interest rate risk and liquidity is set out in note 19 to the financial statements.

Payments to Suppliers

It is the Company and the Group's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions. The Group does not have a universal standard or code which deals specifically with the payment of suppliers. Trade creditors of the Group as at 31 March 2020 expressed in relation to the total amount invoiced by suppliers for goods and services during the period were equivalent to 90 creditor days (2019: 57 creditor days). There were no trade payables in the holding.

Charitable Donations

Worldwide charitable donations made by the Group during the period were $nil (2019: $nil).

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has access to adequate resources to continue in operational existence for the foreseeable future. In the current year, additional enquiries and analyses have been performed related to COVID-19.

The Group's business activities, together with the factors likely to affect its future performance are set out in the Strategic Report on pages 3 to 6. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are incorporated in the review on pages 4 to 5.

The Group meets its day-to-day working capital requirements using cash in hand and is expected to generate sufficient free cash flow going forwards to meet scheduled repayments of its borrowings as well as to meet other liabilities as they fall due. As noted previously, at year-end, the Group had cash holdings of $29.0m and undrawn revolving credit facility of $2.4m. As global economic downturns began due to COVID-19, the Group drew down additional cash on the credit facility. The Group has not had to use this cash for day-to-day working capital requirements. Additionally, the Group has not re-negotiated the covenants on its borrowings. Sensitivity analyses have been performed to determine the decline in covenant EBITDA necessary for there to be covenant breach. Based on the Group's performance post year-end as well current forecast, the Group has determined that it will continue to maintain sufficient covenant EBITDA even in possible downside scenarios to ensure it does not breach any covenant thresholds.

For fiscal year 2021, the Group had prepared a budget that was subsequently revised once the effects of COVID-19 became more apparent. The Group's forecasts and projections, together with support from its parent undertaking, show that the Group will be able to operate within the level of these current resources and borrowing facilities to cover its liabilities as they fall due. The updated budget considered revenue declines that the Group anticipated as well as cost saving measures on discretionary spend due to COVID-19 such as no travel expenses and delaying singing new leases whilst employees are working remotely. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the Annual Report and financial statements.

In addition, as noted previously, BluJay Solutions Group Holdings Ltd is funded by a parent company loan of $39.4m/£31.7m rather than by equity subscription. The parent undertakings of BluJay Solutions Group Holdings have confirmed that they will not demand repayment of the loan or any other amounts payable by BluJay Solutions Group Holdings Ltd until such time as the Company is able to repay such amounts without detriment to its operation as a going concern.

Statement of Directors' Responsibilities

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

Company law requires that directors to prepare financial statement for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and profit and loss of the Company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- IFRSs as adopted by the European Union 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 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 and the Directors' Remuneration report comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- the group financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Directors' Indemnities
The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Auditor
Grant Thornton UK LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By Order of the Board

Joy Meier

Joy Burkholder-Meier
Company Secretary
23 July 2020

Independent Auditor's Report to the Members of BluJay Solutions Group Holdings Ltd

We have audited the financial statements of BluJay Solutions Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statement of changes in equity, the consolidated and company balance sheets, the consolidated and company cash flow statements and the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for group's associated with a course of action such as Brexit.

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.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for group's associated with a course of action such as Brexit.

Other information

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

Grant Thornton

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.

Matter on which we are required to report under the Companies Act 2006
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.

Matters on which we are required to report by exception
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.

Responsibilities of directors for the financial statements
As explained more fully in the directors' responsibilities statement **set out on pages 8 and 9**, 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.
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 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.

Grant Thornton UK LLP

Nicholas Watson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
23 July 2020

Consolidated income statement for the year ended 31 March 2020

Continuing operations	Note	Year ended 31 March 2020 $000	Year ended 31 March 2019 $000
Revenue	24	**167,602**	161,459
Operating expenses		**(143,474)**	(138,765)
Operating profit / (loss)		**24,128**	22,694
Analysed as:			
Operating profit before amortisation of intangibles, reorganisation and exceptional costs, and acquisition costs		**50,459**	47,846
Acquisition costs	1	**(1,224)**	(1,661)
Reorganisation and exceptional costs	1	**(5,388)**	(2,813)
Amortisation of other intangibles	8 / 18	**(19,719)**	(20,678)
Operating profit / (loss)		**24,128**	22,694
Interest receivable on cash and short-term deposits		**32**	18
Finance costs	2	**(30,079)**	(29,885)
Loss before gain on remeasure of equity investment		**(5,919)**	(7,173)
Gain on equity investment	26	**-**	1,131
Loss before taxation	3	**(5,919)**	(6,042)
Taxation	4	**(1,415)**	(5,626)
Loss for the year		**(7,334)**	(11,668)

Consolidated statement of comprehensive income for the year ended 31 March 2020

	2020 $000	2019 $000
Loss for the year	**(7,334)**	(11,668)
Other comprehensive income:		
Currency translation differences	**4,535**	6,114
Total comprehensive loss for the year	**(2,799)**	(5,554)

The accompanying accounting policies and notes form an intergal part of the financial statements.

The Company has not presented its own income statement, as permitted by section 408 of the Companies Act 2006.

Consolidated and Company statements of changes in equity for the year ended 31 March 2020

	Note	Share capital $000	Translation reserve $000	Retained earnings/ (deficit) $000	Total $000
Group					
At 1 April 2018		16	4,047	(120,522)	(116,459)
Loss for the year		-	-	(11,668)	(11,668)
Currency translation differences		-	6,114	-	6,114
Total comprehensive loss for the year		-	6,114	(11,668)	(5,554)
At 31 March 2019		16	10,161	(132,190)	(122,013)
At 1 April 2019		16	10,161	(132,190)	(122,013)
Loss for the year		-	-	(7,334)	(7,334)
Currency translation differences		-	4,535	-	4,535
Total comprehensive loss for the year		-	4,535	(7,334)	(2,799)
At 31 March 2020		16	14,696	(139,524)	(124,812)

	Note	Share capital	Translation reserve	Retained earnings	Total
Company		$000	$000	$000	$000
At 1 April 2018		16	(2)	-	14
Profit for the year		-	-	-	-
Currency translation differences		-	(1)	-	(1)
Total comprehensive income for the year		-	(1)	-	(1)
At 31 March 2019		16	(3)	-	13
At 1 April 2019		16	(3)	-	13
Profit for the year		-	-	-	-
Currency translation differences		-	(1)	-	(1)
Total comprehensive income for the year		-	(1)	-	(1)
At 31 March 2020		16	(4)	-	12

The accompanying accounting policies and notes form an intergal part of the financial statements.

Consolidated and Company balance sheets as at 31 March 2020

	Note	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
Assets					
Non-current assets					
Goodwill	7	**181,393**	177,113	-	-
Other intangible assets	8	**34,917**	37,589	-	-
Right of use assets	18	**10,686**	-	-	-
Property, plant and equipment	9	**6,385**	7,194	-	-
Investment in subsidiary companies	10	-	-	**12**	13
Deferred tax assets	13	**8,262**	11,349	-	-
		241,643	233,245	**12**	13
Current assets					
Inventories	11	-	31	-	-
Trade and other receivables	12	**48,788**	45,891	**37,457**	37,278
Cash and cash equivalents	19	**28,994**	13,159	-	-
		77,782	59,081	**37,457**	37,278
Total assets		**319,425**	292,326	**37,469**	37,291
Liabilities					
Current liabilities					
Trade and other payables	14	**(95,537)**	(83,872)	**(37,457)**	(37,278)
Lease liabilities	18	**(2,427)**	-	-	-
Borrowings	17	**(17,644)**	(9,853)	-	-
Current tax liabilities	15	**(466)**	(367)	-	-
Provisions	20	**(78)**	(95)	-	-
		(116,152)	(94,187)	**(37,457)**	(37,278)
Net current liabilities		**(38,370)**	(35,106)	**0**	0
Non-current liabilities					
Borrowings	17	**(314,338)**	(312,778)	-	-
Lease liability	18	**(8,582)**			
Deferred tax liabilities	16	**(4,794)**	(7,077)	-	-
Long term liabilities	20	**(247)**	(168)	-	-
Provisions	20	**(124)**	(129)	-	-
		(328,085)	(320,152)	-	-
Total liabilities		**(444,237)**	(414,339)	**(37,457)**	(37,278)
Net (liabilities) / assets		**(124,812)**	(122,013)	**12**	13
Shareholders' equity					
Called up share capital	21	**16**	16	**16**	16
Cumulative translation reserve		**14,696**	10,161	**(4)**	(3)
Retained deficit		**(139,524)**	(132,190)	-	-
Total shareholders' deficit		**(124,812)**	(122,013)	**12**	13

The accompanying accounting policies and notes form an intergal part of the financial statements.

The Company has not presented its own income statement, as permitted by section 408 of the Companies Act 2006.

The financial statements on pages 12 to 41 were approved by the Board of Directors on 24 July 2020 and were signed on its behalf by:

Andrew Kirkwood

Director **Andrew David Kirkwood**

Registered number: **08035563**

Consolidated and Company cash flow statements for the year ended 31 March 2020

	Note	Group Year ended 31 March 2020 $000	Group Year ended 31 March 2019 $000	Company Year ended 31 March 2020 $000	Company Year ended 31 March 2019 $000
Cash flows from operating activities					
Cash generated from operations		**58,151**	40,253	-	-
Interest paid		**(26,526)**	(26,436)	-	-
Income tax paid (net)		**(4,855)**	(5,538)	-	-
Net cash generated from operating activities		**26,770**	8,279	-	-
Cash flows from investing activities					
Acquisition of CSF group	26	-	(9,340)	-	-
Acquisition of Grosvenor	26	-	(5,527)	-	-
Acquisition of Era	26	-	(1,278)	-	-
Contingent consideration paid for Era		**(168)**	-		
Cash acquired with Expedient	26	**1,815**	-	-	-
Acquisition of Expedient	26	**(7,809)**	-	-	-
Purchase of property, plant and equipment	9	**(2,589)**	(3,989)	-	-
Expenditure on capitalised research and development costs	8	**(9,676)**	(7,652)	-	-
Net cash used in investing activities		**(18,427)**	(27,786)	-	-
Cash flows from financing activities					
New bank borrowings - gross proceeds received		**4,100**	15,015	-	-
Fees paid in respect of new bank borrowings		**(123)**	(413)	-	-
Lease payments	18	**(4,086)**	-	-	-
Drawings on revolving credit facility		**14,381**	25,744	-	-
Repayments of revolving credit facility		**(6,395)**	(15,290)	-	-
Net cash generated from/(used in) financing activities		**7,877**	25,056	-	-
Net increase/(decrease) in cash and cash equivalents		**16,220**	5,549	-	-
Cash and cash equivalents at the start of period		**13,159**	8,109	-	-
Effect of foreign exchange rate changes		**(385)**	(499)	-	-
Cash and cash equivalents at the end of period		**28,994**	13,159	-	-

Reconciliation of loss for the year to cash generated from operations

	Note	Group Year ended 31 March 2020 $000	Group Year ended 31 March 2019 $000	Company Year ended 31 March 2020 $000	Company Year ended 31 March 2019 $000
(Loss)/profit before taxation		**(5,919)**	(6,042)	-	-
Depreciation charges	9	**3,285**	2,837	-	-
Amortisation of other intangible assets	8 / 18	**19,719**	20,678	-	-
Amortisation of arrangement fee		**1,400**	1,452	-	-
Amortisation of right of use asset	18	**597**			
Gain on remeasure of fair value of equity investment		-	(1,131)	-	-
Loss on disposal of tangible assets		**267**	-	-	-
Foreign exchange differences		**2,807**	(3,394)	-	-
Interest receivable		-	-	**(1,962)**	(1,962)
Interest payable		**28,082**	28,435	**1,962**	1,962
Decrease in inventories		**31**	-	-	-
Increase/(decrease) in trade and other receivables		**(401)**	1,745	-	-
Increase/(decrease) in trade and other payables and provisions		**8,283**	(4,327)	-	-
Cash generated from operations		**58,151**	40,253	-	-

The accompanying accounting policies and notes form an intergal part of the financial statements.

Notes to the financial statements for the year ended 31 March 2020

General information

BluJay Solutions Group Holdings Ltd is a company limited by shares incorporated and domiciled in England and Wales under the Companies Act. The address of the registered office is given on page 2. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 3 to 6.

Functional and presentation currency

These financial statements are presented in United States dollars, whilst the functional currency of the Company is pounds sterling.

Company

The Company has not presented its own income statement, as permitted by section 408 of the Companies Act 2006. The Company recorded a profit for the year of nil (2019: $nil).

Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Significant estimates are used for, but not limited to: impairment of goodwill and investments, valuation of intangible assets and recognition of deferred tax assets (see also page 21).

At the date of authorisation of these financial statements, the following new standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases, had not yet been adopted by the EU):

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9: Prepayment features with negative compensation (issued 12 October 2017)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018)
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (issued 12 October 2017)

It is anticipated that there will be minimal impact on the financial statements from the adoption of these new and revised standards. The quantum of this impact is being assessed.

b) Going concern

Going concern considerations are discussed in the Strategic and Directors' reports.

After making enquiries, the Directors have a reasonable expectation that the Group has access to adequate resources to continue in operational existence for the foreseeable future. In the current year, additional enquiries and analyses have been performed related to COVID-19.

The Group's business activities, together with the factors likely to affect its future performance are set out in the Strategic Report on pages 3 to 6. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are incorporated in the review on pages 4 to 5.

The Group meets its day-to-day working capital requirements using cash in hand and is expected to generate sufficient free cash flow going forwards to meet scheduled repayments of its borrowings as well as to meet other liabilities as they fall due. As noted previously, at year-end, the Group had cash holdings of $28.9m and undrawn revolving credit facility of $2.4m. As global economic downturns began due to COVID-19, the Group drew down additional cash on the credit facility. The Group has not had to use this cash for day-to-day working capital requirements. Additionally, the Group has not re-negotiated the covenants on its borrowings. Sensitivity analyses have been performed to determine the decline in covenant EBITDA necessary for there to be covenant breach. Based on the Group's performance post year-end as well current forecast, the Group has determined that it will continue to maintain sufficient covenant EBITDA even in possible downside scenarios to ensure it does not breach any covenant thresholds.

For fiscal year 2021, the Group had prepared a budget that was subsequently revised once the effects of COVID-19 became more apparent. The Group's forecasts and projections, together with support from its parent undertaking, show that the Group will be able to operate within the level of these current resources and borrowing facilities to cover its liabilities as they fall due. The updated budget considered revenue declines that the Group anticipated as well as cost saving measures on discretionary spend due to COVID-19 such as no travel expenses and delaying singing new leases whilst employees are working remote. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the Annual Report and financial statements.

In addition, as noted previously, BluJay Solutions Group Holdings Ltd is funded by a parent company loan of $39.4m/£31.7m rather than by equity subscription. The parent undertakings of BluJay Solutions Group Holdings have confirmed that they will not demand repayment of the loan or any other amounts payable by BluJay Solutions Group Holdings Ltd until such time as the Company is able to repay such amounts without detriment to its operation as a going concern.

c) Consolidation policy and goodwill

The Group financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings. The accounts of each company in the Group have been prepared to 31 March 2020. The results of subsidiary undertakings have been included from the date of acquisition or up to the date of disposal being the date control passes. All intra-group profits and trading are eliminated on consolidation.

The purchase method of accounting is used to account for the acquisitions of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments used and liabilities incurred or assumed at the date of exchange. Acquisition related costs are not included in the cost of acquisition, but charged to operating expenses as they are incurred. Any pre-existing equity interest in the entity acquired is remeasured to fair value at the date of obtaining control, with any resulting gain or loss recognised in profit or loss. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at the fair values at acquisition date. The excess of cost of acquisition over the fair value of the Group's share of the identifiable net assets is recorded as goodwill. Any changes in the Group's ownership interest subsequent to the date of obtaining control are recognised directly in equity, with no adjustment to goodwill.

Deferred consideration is measured at fair value. Deferred consideration payable in more than one year, forming part of the cost of acquisition, is discounted to a present value. The unwinding of this discount is shown as part of finance costs in the income statement. Any changes to the cost of an acquisition, including deferred consideration, resulting from events after the date of acquisition are recognised in profit or loss.

Goodwill is capitalised on the balance sheet and allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The carrying value of goodwill is cost less accumulated impairment losses.

d) Segmental reporting

The Group has chosen not to publish segmental reporting information other than that required by the Companies Act.

e) Intangible assets (other than goodwill)

Intangible assets are included at cost or fair value at the date of acquisition, assessed on an estimate of the present value of future cash flows projected to arise from the use of those intangible assets, less amounts written off representing impairment in value.

Amortisation is calculated to write off the cost of the intangible assets on a straight-line basis over their expected useful economic lives, for each individual asset, which for all intangible assets is currently between 3 and 5 years.

The Group's intangible assets comprise intellectual property (principally comprising computer software acquired or developed for sale to customers), brand values and customer base (contractual customer relationships acquired in a business combination).

f) Impairments

Impairment tests on the carrying value of goodwill and other assets subject to amortisation are undertaken if events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill is also tested for impairment at least annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that have been previously impaired are reviewed for possible reversal of the impairment at each reporting date.

Notes to the financial statements for the year ended 31 March 2020

g) Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical cost less depreciation and, when appropriate, provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided at rates calculated to write off the cost of fixed assets less estimated residual value on a straight-line basis over the expected useful economic lives of the assets concerned. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The annual rates used from date of purchase are:

Freehold land & buildings	4-5%
Leasehold improvements	10-20% (or the lease term if shorter)
Fixtures, fittings and equipment	33%

h) Investments

Investments are included in the balance sheet at cost less amounts written off, representing impairment in value. Impairment charges are recorded if events or changes in circumstances indicate that the carrying value may not be recoverable and are charged to the income statement.

i) Inventory

Inventory is stated at the lower of cost and net realisable value after making allowance for slow-moving and obsolete inventory. Cost of finished goods is based on purchase price on a first in first out basis.

j) Foreign currencies

Transactions in foreign currencies are translated into each company's functional currency at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into each company's functional currency at the rates of exchange ruling at the balance sheet date with differences passed through the income statement. Other foreign exchange gains and losses are taken to the income statement in the year in which they arise.

For the purposes of presenting the consolidated financial statements, the results of foreign operations are translated into dollars, the Group's presentation currency, at the monthly average exchange rate. The assets and liabilities are translated at rates of exchange ruling at the end of the financial year. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

k) Income recognition

(i) Revenue from sale of goods and services

The Group adopted International Financial Reporting Standards (IFRS) 15, Revenue from Contracts with Customers (IFRS 15) on 1 April, 2018. Revenue is measured based on the consideration specified in a contract with a customer VAT and other sales-related taxes and are adjusted for variable considerations related to discounts. The Group recognises revenue when it transfers control over a product or service to a customer. The period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. Therefore, as a practical expedient, the Group has not adjusted the promised amount of consideration for the effects of a significant financing component.

Transaction price includes but is not limited to, estimating variable consideration and measuring obligations for returns, refunds and other similar obligations. We have considered the following factors and determined that these do not have a significant impact of the transaction price: time value of money, non-cash considerations, allocation of transaction price including stand-alone selling price, and allocating discounts and variable considerations.

The Group does not have a service type warranty, therefore, it is not considered a separate performance obligation. Also, sale of the Group's products do not have a significant financing component and payments are typically due within 30 days of satisfaction of the performance obligation.

The Group previously recognised commission fees payable related to the contracts as selling expenses when they were incurred. Under IFRS 15, the Group capitalises these commission fees as costs of obtaining a contract when they are incremental and – if they are expected to be recovered – it amortises them consistently with the pattern of revenue for the related contract. If the expected amortisation period is one year or less, then the commission fee is expensed when incurred. At adoption, total amount capitalised as a result of commissions was $2.1 million at the end of 31 March 2020 the ending commission balance was $4.6 million.

In the Comparative period, revenue was measured at the fair value of the considerations received or receivable. Revenue from the sale of goods and services was recognised when the significant risks and reward of ownership had been transferred to the customer, recovery of consideration was probable, the associated costs and possible returns for be estimated reliably, there was not continuing management involvement with the goods and the amount of revenue could be measured reliably. Revenue from rendering services was recognised in proportion to the stage of completion of work performed at the reporting date.

(ii) Nature of goods and services
The Group offers software licences, software-as-a-service (SaaS), logistics-as-a-service (LaaS), hardware, support / maintenance, installation, consultancy, training, hosting, network usage and support services related to these products. In accordance with IFRS 15, licence, customized software, professional services (including software installation and training), licence maintenance, and hardware are considered to be distinct; and network usage and support services are distinct goods and services that have the same pattern of transfer to the customer over time.

Software-as-a-Service (SaaS)
SaaS agreements cover a range of different software products and principally provide logistical solutions that connects the customer to suppliers and supply chain by providing customer access to the Group's hosted software. These deliver a suite of standard software packages with a tailored professional service that integrates and optimises a solution. While majority of the sales are made directly by BluJay, it also has agreements with resellers to sell the Group's products. Revenue from the SaaS arrangement is recognized over the term of the contract utilizing the output method. Revenue recognition over time is considered appropriate based on provisions of IFRS 15 paragraph 35 as the customer simultaneously receives and consumes the benefits provided by BluJay. In addition, for SaaS contract, customers also pay for network usage and access fees. Revenue from these services is recognized over the term of the contract. Contractual term for average SaaS agreement is approximately 3 years.

Logistics-as-a-Service (LaaS)
LaaS services provide end-to-end freight management solutions and are made up of several different components which collectively provide the desired service to the customer. The LaaS agreements first require SaaS to be provided. The terms of SaaS do not vary significantly when LaaS is also provided. Revenue from the LaaS arrangement is recognized over the term of the contract utilizing the output method.

License
License agreements give the customer the perpetual software license. Licensed software is includes various products and is and typically includes a maintenance agreement. While revenue for license sales is recognized at a point in time as the product is delivered, maintenance revenue is a stand ready to perform obligation and revenue is recognized over the term of the contract.

Professional Services
SaaS, LaaS, and licensing agreements typically also include professional services. These services provide software implementation services including, implementation, configuration, training and other similar services to creates interfaces between BluJay's software and customers systems. Revenue from these services is recognized over time using input method as professional services are being performed. Revenue recognition over time is considered appropriate based on provisions of IFRS 15 paragraph 35 as BluJay's services do not create an asset with alternate use.

(iii) Other income
Bank interest receivable is accrued on a time basis taking account of the principle outstanding and interest rate applicable. Dividend income from investments is recognised when the right to receive payment is established.

l) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, using the liability method on an undiscounted basis, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

m) Research and development expenditure

Expenditure on research activities related to the development of the Group's products is recognised as an expense as it is incurred.

An internally-generated intangible asset arising from the Group's product development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Amounts capitalised in response to this policy are presented in note 8.

n) Pension costs

The Group operates a number of defined contribution pension schemes. The charge against the income statement is the amount of contributions payable to the pension schemes in respect of the accounting period.

o) Leases

The Group has adopted International Financial Reporting Standards (IFRS) 16 (Leases) on 1 April 2019. The Group's leases are now accounted for by recognising right of use assets and lease liabilities except for short-term leases and low value leases. The Group has applied the modified retrospective approach. From 1 April 2019, the Group asseses whether a contract is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For contracts entered into prior to 1 April 2019, the Group accounted for leases as either operating leases or finance leases in accordance with International Accounting Standard (IAS) 17 (Leases).

p) Provisions

Provisions for restructuring costs, legal claims and onerous contracts are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

q) Financial instruments

Financial assets and financial liabilities are recorded in the Group's balance sheet when the Group becomes a party to the contractual obligations of the instrument. Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Income and expenditure arising on financial instruments is recognised on an accruals basis and taken to the income statement in the financial period in which it arises.

The Group's financial assets comprise cash and cash equivalents or receivables.

The Group's non-derivative financial liabilities comprise bank borrowings, trade payables, accruals, deferred consideration or onerous contractual obligations. All have fixed and determinable payments that are not quoted in an active market.

All financial assets and financial liabilities are included in current assets or current liabilities, as appropriate, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets or liabilities.

(i) Cash and cash equivalents

Cash is defined as cash in hand and on demand deposits. Cash equivalents are defined as short-term, highly liquid investments with original maturities of twelve months or less but which can be drawn in less than 3 months.

Notes to the financial statements for the year ended 31 March 2020

(ii) Trade receivables and payables, including accruals
Trade receivables and payables do not carry any interest and are stated at their nominal value. Provision is made for estimated irrecoverable receivables.

(iii) Bank borrowings
Bank loans are recorded at proceeds received, net of finance costs. Finance charges and issue costs are accounted for on the effective interest rate method to the income statement.

Borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they are directly attributable to the acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use. The Group has no such qualifying assets at the present time.

(iv) Derivative financial instruments
Derivative financial instruments are held at fair value. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise. At the present time, the Group does not have any derivative financial instruments that do qualify for hedge accounting.

(v) Equity instruments
Equity instruments issued by the Group are recorded at proceeds received, net of direct issue costs. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Critical accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical accounting judgements

Revenue recognition
The Group's revenue recognition accounting policy is that "revenue is recognised when a contract exists, delivery has occurred and the fee is fixed or determinable and collectable". However, the Group's business includes the provision of software, in particular software licences and customised software, for which the asset provided is purely intangible. As a result, management often has to make judgements about cut-off; where to recognise the delivery of such intangible assets within projects and licences, as well as when to account for new revenue contracts.

Lease accounting
The discount rate used in the calculation of the lease liability, involves an estimation of the incremental borrowing costs. The incremental borrowing rate will depend on factors such as the territory of the relevant lease, the Group's current external borrowing rates and the lease terms.

Key sources of estimation uncertainty

(i) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill can be allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

The Group prepares a valuation based on expected performance going forward. The growth rate assumptions are in relation to periods covered by Board approved plans. Other key assumptions are the discount rate, where the Group uses its corporate weighted average cost of capital and the conversion to cash ratio of future profits.

It is impractical to disclose the extent of the possible effects of uncertainty in respect of a key assumption at the balance sheet date. It is possible that future outcomes that differ to the key assumptions could result in a material adjustment to the carrying value of the Group's goodwill.

The carrying amount of goodwill at the balance sheet date was $181,375,000 (2019: $177,113,000). Details regarding the goodwill carrying value and assumptions used in carrying out the impairment reviews are provided in note 7.

(ii) Impairment of investments

The Group has also carried out an impairment review on the value of investments held by the Company. Where the investment is held in a company which has an ongoing trade, the value is derived by a value in use calculation of the cash generating units. This is done on a similar basis to that used in the impairment of goodwill calculation set out above and is therefore subject to the same judgement and estimations. Where the investment is held in a company which is no longer trading, the value is derived from the carrying value of the net assets on the balance sheet of the entity.

(iii) Intangible assets

To determine the fair value of intangible assets in respect of intellectual property, brand values and customer relationships identified on the acquisition of businesses or subsidiaries, the Group uses various assumptions including the market royalty rates, estimated discount rates, expected levels of customer retention and profit margins relevant to the market in which the business operates. These assumptions have been applied in particular in respect of the purchase of Expedient in February 2020, CSF in April 2018, Grosvenor International Systems in August 2018, Era in October 2018, Blackbay in April 2017 and the LeanLogistics businesses acquired in June 2016 as well as a US business (trade and assets) acquired in the period ended 31 March 2015 and the Four Soft business acquired in the year ended 31 March 2014.

Recognition of capitalised development costs is dependent on assumptions of generating future economic benefits. Actual outcomes may differ.

Estimation of the useful economic lives of intangible assets is required for amortisation purposes, but again involves an assessment of uncertain future outcomes.

(iv) Recognition of deferred tax asset

To determine the extent to which future taxable profits will be available against which temporary differences can be used the Group considers the current and forecast profitabillty of the relevant legal entity in the relevant country.

(v) Lease accounting

To determine the incremental borrowing rate used to calculate the net present value the Group considers various assumptions including the interest rate in various countries.

(vi) Estimated credit loss

To determine the estimated credit loss the Group considers both the historical loss amount as well as historical loss rates. The Group uses available historical information to make determination.

Notes to the financial statements for the year ended 31 March 2020

1. Acquisition costs, reorganisation costs and other exceptional costs

Reorganisation costs of $5,388,000 consists of $3,781,000 in 2020 (2019: $2,813,000) related to significant worldwide restructuring activity, both before and after the the Expedient, Blackbay, CSF, Grosvenor, and Era acqusitions, undertaken in order to streamline operations and invest in new and improved business processes. These costs include consultancy and other professional charges along with redundancy payments. There were also exceptional costs of $1,607,000 (2019: nil) related to one-time costs that were non-operational and non-recurring in nature included in resturcturing costs. There were acquisition costs of $1,224,000 recorded (2019: $1,661,000).

2. Finance costs

	Note	**Year ended 31 March 2020 $000**	Year ended 31 March 2019 $000
Interest payable on bank overdrafts and short term borrowings		**26,081**	26,471
Amortisation of capitalised fees		**1,400**	1,452
Finance lease interest	18	**597**	-
Interest charge on loan from parent		**2,001**	1,962
Finance costs		**30,079**	29,885

3. Loss before taxation

	Note	**2020 $000**	2019 $000
Group loss before taxation is stated after charging/(crediting):			
Staff costs	5	**80,312**	75,312
Total audit fees payable to the Company's auditor (see below)		**475**	395
Total non-audit fees payable to the Company's auditor (see below)		**29**	44
Depreciation of property, plant and equipment	9	**3,285**	2,837
Loss on disposal of property, plant and equipment		**267**	-
Amortisation of other intangible assets	8	**19,719**	20,678
Operating lease rentals - land and buildings		**-**	3,293
Operating lease rentals - other assets		**-**	272
Lease expense for short term and small value leases		**159**	-
Loss on disposal of lease		**-**	697
Expected credit loss	12	**695**	2,091
Repair and maintenance expenditure on property, plant and equipment		**1,116**	899
Net foreign exchange (gains) / losses		**2,805**	(3,394)
Charitable donations		**41**	-
Research & development			
- total expenditure		**17,273**	15,110
- of which capitalised	8	**9,676**	7,652

Analysis of auditor's remuneration:		
- fees payable to the Company's auditor for the audit of the Company's annual accounts	**105**	100
- fees payable to the Company's auditor for other services		
* the audit of the Company's subsidiaries	**370**	295
	475	395
taxation, book-keeping and payroll services	**83**	44
	83	44

Fees payable to the Company's auditor for the audit of the Company's annual accounts have been borne on its behalf by its subsidiary undertakings, BluJay Solutions Holdings Limited and BluJay Solutions Limited.

Fees payable to the Company's auditor and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

Notes to the financial statements for the year ended 31 March 2020

4a. Taxation

	Year ended 31 March 2020 $000	Year ended 31 March 2019 $000
Current tax		
Current income tax charge	**2,431**	3,704
Adjustments in respect of prior periods	**(587)**	79
Deferred tax		
Origination and reversal of temporary differences	**(965)**	2,156
Adjustments in respect of prior periods	**536**	(215)
Change in future expected tax rates		(98)
Total taxation credit	**1,415**	5,626

4b. Reconciliation of tax

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

	2020 $000	2019 $000
Loss before tax	**5,919**	6,043
Tax on loss before tax at the weighted average rate for the Group of 17.41% (2019: 20.87%)	**(1,030)**	(1,261)
Factors affecting charge for the year		
Adjustments to tax charge in respect of prior periods	**(51)**	(136)
Acquisition costs not deductible for tax purposes	**302**	270
Other expenses not deductible for tax purposes	**372**	(925)
Current year losses not recognised	**198**	726
Losses surrendered	**312**	-
Utilisation in year of previously unrecognised losses	**(229)**	913
Non-deductible interest	**2,013**	-
(Recognition) / derecognition of other assets	**(432)**	5,496
Impact on deferred tax of change in future expected tax rates	-	98
Withholding taxes paid and expensed	-	8
Effect of foreign exchange movements	-	51
Local rate differences from Group rate	**(40)**	386
Total taxation credit	**1,415**	5,626

4c. Factors affecting future tax charges

At the balance sheet date, the group had an unrecognised deferred tax asset in respect of losses of $7,718,000 (2019: $11,987,000) available for offset against future profits (see note 13).

5. Employees

The average monthly number of Group and Company employees, including executive Directors, during the period was as follows:

	Group Year ended 31 March 2020 Number	Group Year ended 31 March 2019 Number	Company Year ended 31 March 2020 Number	Company Year ended 31 March 2019 Number
Technical and sales	**1,091**	1,040	-	-
Administrative	**136**	105	-	-
Total employees	**1,227**	1,145	-	-

Staff costs during the period, including executive Directors

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
Wages and salaries	**64,091**	65,150	-	-
Social security costs	**13,074**	7,738	-	-
Other pension costs	**3,147**	2,424	-	-
Total staff costs	**80,312**	75,312	-	-

Notes to the financial statements for the year ended 31 March 2020

5. Employees (continued)

Key management compensation

	Group Year ended 31 March 2020 $000	Group Year ended 31 March 2019 $000	Company Year ended 31 March 2020 $000	Company Year ended to 31 March 2019 $000
Salaries and short-term employee benefits	3,408	3,817	-	-
Post-employment benefits	72	12	-	-
Total key management compensation	3,480	3,829	-	-

The key management compensation figures above include a total of 17 (2019: 22) personnel, comprising directors and senior functional management.

Of the total emoluments above, an aggregate amount of $377,000 (2019: $531,000) is attributable to the highest paid director, being wholly salary and short term employee benefits. $346,000 (2019: $923,000) was paid to directors during the year for salaries and wages and $31,000 (2019: $59,000) was paid for short-term employee benefits (consisting of social security costs and allowances). There was no share based payment charge in 2020 (2019: $nil).

6. Pension scheme costs

The Group operates a number of defined contribution pension schemes in the United Kingdom and overseas. The total contributions payable in respect of these schemes amounted to $3,451,000 (2019: $2,524,000).

7. Goodwill

Movements during the year are summarised as follows:

	2020 $000	2019 $000
Group		
Net book amount		
At 1 April	177,113	169,035
Acquisition of CSF group (see note 26)	-	8,035
Acquisition of Grosvenor (see note 26)	-	3,680
Acquisition of Era group (see note 26)	-	1,128
Acquisition of Expedient group (see note 26)	7,057	-
Foreign exchange differences	(2,777)	(4,765)
At 31 March	181,393	177,113

The carrying amounts of goodwill by geography are as follows:

	2020 $000	2019 $000
Europe	55,048	56,722
Americas	105,409	105,409
Asia	20,936	14,982
	181,393	177,113

Goodwill recognised at 1 April 2019 arose on either the acquisition of the US TMS business in September 2014, the Four Soft software group in October 2013, the Kewill plc software group in July 2012, the LeanLogistics software group in June 2016, or the Blackbay group in April 2017. The goodwill recognised in the year 31 March 2019 related to CSF, Grosvenor and Era, which were recognised in Europe. The goodwill recognised in the year 31 March 2020 related to Expedient. This acquisition was in Asia.

Goodwill arising from these business combinations has been allocated to groups of cash-generating units (or "CGUs") based on the lowest level within the Group at which the goodwill is monitored for internal management purposes. The goodwill was tested for impairment at 31 March 2020 and will continue to be tested annually, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations.

The key assumptions for the value in use calculations are those regarding the growth in future cash flows, driven by revenue growth, and discount rates. These calculations use pre-tax forecast cash flows derived from the most recent financial plan approved by management for the year ended 31 March 2021. All cash flows beyond March 2021 are extrapolated using a growth rate of 5%, through to March 2024, after which a growth rate of 2% is used in perpetuity thereafter. The discount rate used to discount the forecast cash flows for the CGUs ranges from 9.3% to 11.6% and is estimated by reference to the Group's weighted average cost of capital and the degree of risk attached to an individual CGU. For two CGU's that have limited headroom, if the discount rate increases between 0.4% and 1% the CGU's will become impaired.

The impairment tests performed show that the fair value of the un-impaired goodwill is in excess of its book value.

Notes to the financial statements for the year ended 31 March 2020

8. Other intangible assets

Movements during the period are summarised as follows:

	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
	Intellectual property	Brand names	Customer relation-ships	Non-compete agree-ments	Capitalised develop-ment costs	Total	Intellectual property	Brand names	Customer relation-ships	Non-compete agree-ments	Capitalised develop-ment costs	Total
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Group												
Cost												
At 1 April	92,630	11,654	49,485	9,086	11,655	174,510	94,315	12,142	45,557	9,190	4,003	165,207
Acquisition of CSF	-	-	-	-	-	-	1,663	-	2,710	-	-	4,373
Acquisition of Grosvenor	-	-	-	-	-	-	260	-	2,208	-	-	2,468
Acquisition of Era	-	-	-	-	-	-	93	12	487	-	-	592
Acquisition of Expedient	2,017	65	2,213	-	-	4,295	-	-	-	-	-	-
Capitalised in period					9,676	9,676	-	-	-	-	7,652	7,652
Foreign exchange	(1,864)	(250)	(934)	(56)	(224)	(3,328)	(3,701)	(500)	(1,477)	(104)	-	(5,782)
At 31 March	92,783	11,469	50,764	9,030	21,107	185,153	92,630	11,654	49,485	9,086	11,655	174,510
Amortisation												
At 1 April	81,092	11,654	33,289	8,663	2,223	136,921	75,570	12,087	26,640	6,076	730	121,103
Charge for the period	5,921	3	6,366	422	3,170	15,882	8,811	63	7,629	2,683	1,492	20,678
Foreign exchange	(1,644)	(246)	(566)	(55)	(56)	(2,567)	(3,289)	(496)	(980)	(96)	1	(4,860)
At 31 March	85,369	11,411	39,089	9,030	5,337	150,236	81,092	11,654	33,289	8,663	2,223	136,921
Net book amount												
At 31 March	7,414	58	11,675	0	15,770	34,917	11,538	0	16,196	423	9,432	37,589

All amortisation and impairment charges in the period are included in operating expenses in the income statement.

Details of the acquisition of the Expedient acquisition are provided in note 26.

Capitalised development costs represent an internally-generated intangible asset arising from the Group's product development, as recognised in accordance with the relevant accounting policy. During 2019, with new systems in place, BluJay was able to determine the amount of software to be capitalised in related to product development.

Right to use assets and accumulated amortisation related to leases capitalised under IFRS 16 are disclosed in footnote 18.

Notes to the financial statements for the year ended 31 March 2020

9. Property, plant and equipment

Movements during the period are summarised as follows:

	2020 Leasehold improve-ments $000	2020 Fixtures, fittings and Equipment $000	2020 Total $000	2019 Leasehold improve-ments $000	2019 Fixtures, fittings and Equipment $000	2019 Total $000
Group						
Cost						
At 1 April	**1,052**	**18,336**	**19,388**	957	15,057	16,014
Acquisitions	**2**	**119**	**121**	2	99	101
Additions	**9**	**2,580**	**2,589**	135	3,854	3,989
Disposals	**(825)**	**(2,910)**	**(3,735)**	-	(34)	(34)
Foreign exchange differences	**87**	**38**	**125**	(42)	(640)	(682)
At 31 March	**325**	**18,163**	**18,488**	1,052	18,336	19,388
Depreciation						
At 1 April	**495**	**11,699**	**12,194**	374	9,529	9,903
Charge for the period	**135**	**3,150**	**3,285**	138	2,699	2,837
Disposals	**(634)**	**(2,834)**	**(3,468)**		(31)	(31)
Foreign exchange differences	**98**	**(6)**	**92**	(17)	(498)	(515)
At 31 March	**94**	**12,009**	**12,103**	495	11,699	12,194
Net book amount						
At 31 March	**231**	**6,154**	**6,385**	557	6,637	7,194

Details of the acquisition of Blackbay, CSF, Grosvenor, Era, and Expedient are provided in note 26

Right to use assets and accumulated amortisation related to leases capitalised under IFRS 16 are disclosed in footnote 18.

Notes to the financial statements for the year ended 31 March 2020

10. Investments

Company	**2020 $000**	2019 $000
Investments in shares in subsidiary undertakings		
At 1 April	**13**	14
Additions	**-**	-
Exchange differences	**(1)**	(1)
At 31 March	**12**	13

Investments in subsidiary undertakings comprise investments in ordinary share capital.

The full list of subsidiary undertakings of the Company as at 31 March 2020 is as follows

	Country of incorporation/ registration	% of equity and voting rights held at 31 March 2020
Trading		
BluJay Solutions Ltd *(formerly Kewill Ltd)*	UK	100
BluJay Solutions Inc. *(formerly Kewill Inc.)*	USA	100
BluJay Solutions Inc. *(formerly 7622317 Canada Inc.)*	Canada	100
BluJay Solutions B.V. *(formerly Kewill B.V.)*	Netherlands	100
BluJay Solutions N.V. *(formerly Kewill Belgium N.V.)*	Belgium	100
BluJay Solutions GmbH *(formerly Kewill GmbH)*	Germany	100
BluJay Solutions A/S *(formerly Kewill Nordics A/S)*	Denmark	100
BluJay Solutions SA *(formerly LeanLogistics Europe SA)*	Spain	100
BluJay Solutions (India) Private Ltd *(formerly Kewill India (Private) Ltd*	India	100
BluJay Solutions Pte Ltd *(formerly Kewill Pte Ltd)*	Singapore	100
BluJay Solutions Ltd *(formerly Kewill Ltd)*	Hong Kong	100
BluJay Solutions Co. Limited (*formerly Kewill Co. Limited*)	China	100
BluJay Solutions Co Ltd *(formerly Kewill K K)*	Japan	100
BluJay Solutions Pty Ltd *(formerly Kewill Pty Ltd)*	Australia	100
BluJay Solutions (New Zealand) Limited (*formerly Blackbay (New Zealand) Ltd*)	New Zealand	100
BluJay Solutions (Australia) Pty Ltd (*formerly Blackbay (Australia) Pty Ltd*)	Australia	100
BluJay Solutions S.r.l. (formerly *Era Systems*)	Italy	100
Expedient Software Australia Pty Ltd	Australia	100
Non-trading / sub-holding companies		
BluJay Solutions Holdings Ltd *(formerly Kewill Holdings Ltd)*	UK	100
BluJay Solutions Holding B.V. *(formerly Kewill Holding B.V.)*	Netherlands	100
BluJay Solutions Nordics Holding B.V. *(formerly Kewill Nordics Holding B.V.)*	Netherlands	100
BluJay Solutions (Germany) Holdings GmbH	Germany	100
Blackbay Ltd	UK	100
Grosvenor International Systems Limited	UK	100

The above companies operated principally in their countries of incorporation/registration and, apart from BluJay Solutions Co. Limited (formerly Kewill Co. Limited), have 31 March year ends.

The principal nature of business of trading subsidiary undertakings is the development and/or distribution of computer software and associated services. All of the above companies are included in the consolidation.

Apart from BluJay Solutions Holdings Ltd, which is owned directly, all shares in the other entities above are owned indirectly by subsidiary undertakings of BluJay Solutions Group Holdings Ltd.

11. Inventories

	Group 2020 $000	Group 2019 $000
Finished goods	**-**	31

Notes to the financial statements for the year ended 31 March 2020

12. Trade and other receivables

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
Trade receivables	**33,127**	34,823	-	-
Less: allowance for expected credit loss	**(2,543)**	(1,622)	-	-
Trade receivables - net	**30,584**	33,201	-	-
Amounts owed by subsidiary undertakings	-	-	**37,457**	37,278
Other receivables	**7,230**	2,568	-	-
Prepayments and accrued income	**10,974**	10,122	-	-
	48,788	45,891	**37,457**	37,278

Trade and other receivables are denominated in the following currencies:

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
Sterling	**7,320**	6,119	**37,457**	37,278
US Dollars	**21,610**	22,703	-	-
Euro	**10,125**	8,290	-	-
Singapore Dollars	**1,470**	1,557	-	-
Other	**8,263**	7,222	-	-
	48,788	45,891	**37,457**	37,278

Movements on the provision for expected credit loss are as follows:

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
At 1 April	**(1,622)**	(783)	-	-
Foreign exchange	**65**	32	-	-
Receivables written off as uncollectable	**363**	997	-	-
New provisions created	**(1,349)**	(1,868)	-	-
At 31 March	**(2,543)**	(1,622)	-	-

The allowance for expected credit loss on trade receivables $2,543,000 (2019: $1,622,000). During the year, expected credit loss of $695,000 (2019: $2,091,000) was recognized during the year.

The Group calculates the expected credit loss under IFRS 9 Financial Instruments using prior experience and known factors at the balance sheet date. Additionally, the Group considers concentrations of credit risk with respect to trade receivables limited due to the Group's customer base being large and unrelated. The credit risk is managed on a group basis through the Group's credit risk management policies and procedures. The ongoing credit risk is managed through regular review of ageing analysis.

The Group does not hold any collateral as security. The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions.

Impairments of trade receivables are expensed as operating expenses. The fair value of receivables equates to their book value.

The Group does not collect external credit ratings for customers but uses its own methods for determining credit worthiness.

Amounts receivable from subsidiary undertakings include $37.5m (2019: $37.3m) which is a £30.1m (2019: £28.6m) loan owed to the Company by its immediate subsidiary undertaking. This loan is repayable on demand and accrues interest at annually agreed rates which can vary between 0% and current market rates. A rate of 5.5% was charged for the period to 31 March 2020 (2019: 5.5%).

Notes to the financial statements for the year ended 31 March 2020

13a. Deferred tax asset recognised

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
As at 1 April	**11,349**	17,974	**-**	-
Recognised in the period:				
adjustment in respect of prior periods	**(1,571)**	215	**-**	-
on timing differences for the period	**(1,367)**	(6,293)	**-**	-
acquisition of subsidiary companies (see note 26)	**59**			
on change of future expected tax rates	**-**	(373)	**-**	-
Exchange differences	**(208)**	(174)	**-**	-
As at 31 March	**8,262**	11,349	**-**	-

The deferred tax asset can be analysed as:

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
Deferred tax in respect of losses recognised	**5,474**	8,453	**-**	-
Accelerated amortisation and depreciation	**711**	1,815	**-**	-
Other short-term timing differences	**2,077**	1,081	**-**	-
	8,262	11,349	**-**	-

Of the total Group deferred tax asset, approximately $4.2m (2019: $1.1m) is expected to be recovered within one year.

13b. Deferred tax asset unrecognised

The Group also has an unrecognised deferred tax asset of $9,987,000 (2019: $17,400,000) as follows:

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
Unrecognised deferred tax asset in respect of trading losses	**1,266**	2,957	**-**	-
Unrecognised deferred tax asset in respect of non-trading	**5,289**	7,937	**-**	-
Unrecognised deferred tax asset in respect of capital losses	**1,163**	1,093	**-**	-
Unrecognised deferred tax asset in respect of other assets	**2,269**	5,413	**-**	-
	9,987	17,400	**-**	-

These deferred tax assets have not been recognised as the precise incidence of future profits in the relevant countries and legal entities cannot be predicted accurately at this time. The tax charge in future periods will be reduced by the utilisation of brought forward trading losses.

14. Trade and other payables

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
Trade payables	**4,722**	2,301	**-**	-
Amounts owed to parent undertaking	**39,564**	37,278	**39,564**	37,278
Other tax and social security costs	**5,117**	2,278	**-**	-
Other payables	**-**	262	**-**	-
Accruals	**11,150**	8,376	**-**	-
Deferred income	**34,984**	33,377	**-**	-
	95,537	83,872	**39,564**	37,278

Trade and other payables are denominated in the following currencies:	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
Sterling	**49,628**	49,076	**39,564**	37,278
US Dollars	**25,928**	20,410	**-**	-
Euro	**11,746**	2,910	**-**	-
Singapore Dollars	**1,217**	1,657	**-**	-
Other	**7,018**	9,819	**-**	-
	95,537	83,872	**39,564**	37,278

The $37.5m (2019: $37.3m) loan owed by the Company to its parent undertaking is repayable on demand and accrues interest at annually agreed rates which can vary between 0% and current market rates. A rate of 5.5% was charged for the period to 31 March 2020 (2019: 5.5%).

Notes to the financial statements for the year ended 31 March 2020

15. Current tax liability

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
Corporation tax liability	66	150	-	-
Overseas tax liability	400	217	-	-
	466	367	-	-

16. Deferred tax liability

The total deferred tax liability is made up as follows:

	Group 2020 $000	Group 2019 $000	Company 2020 $000	Company 2019 $000
At 1 April	7,077	9,862	-	-
Acquisition of subsidiary companies (see note 26)	1,201	1,929	-	-
Released to income statement	(3,367)	(4,559)	-	-
Exchange differences	(117)	(155)	-	-
As at 31 March	4,794	7,077	-	-

The deferred tax can be analysed as

	Group 2020 $000	Group 2019 $000
Intangible Assets	4,214	7,077
Accelerated amortisation and depreciation	31	
Other short-term timing differences	549	
	4,794	7,077

Of the total Group deferred tax liability, approximately $3.2m (2019: $3.1m) is expected to be recovered within one year.

17a. Bank Borrowings

Group

Total borrowings comprise:	2020 $000	2019 $000
Bank loans	314,338	312,778

These obligations are presented in the group's balance sheet as follows:

	$000	$000
Included in current liabilities	(1,376)	(1,390)
included in non-current liabilities	315,714	314,168
	314,338	312,778

The maturity profile of the group's bank loans is as follows:

	2020 Excluding capitalised fees $000	2020 Capitalised fees $000	2020 Total as presented $000	2019 Excluding capitalised fees $000	2019 Capitalised fees $000	2019 Total as presented $000
In one year or less	-	(1,376)	(1,376)	-	(1,390)	(1,390)
In more than one year, but not more than two years	-	(1,376)	(1,376)	-	(1,390)	(1,390)
In more than two years but not more than five years	320,529	(3,440)	317,090	-	(4,171)	(4,171)
In more than five years	-	-	-	320,410	(681)	319,729
	320,529	(6,191)	314,338	320,410	(7,632)	312,778

The credit facilities are provided through a syndicate led by TPG Specialty Lending Europe I Advisors Ltd. The term loan facilities includes US dollar denominated loans totalling $170,000,000, pounds sterling denominated loans totalling £35,166,579 and euro denominated loans totalling €96,900,648. The repayment of the terms loans is due in September 2024. The revolving credit facilities comprise an available facility of $20,000,000. The loans are secured by fixed and floating charges over the shareholdings in the principal subsidiary undertakings as well as over the assets of the principal subsidiaries. The loans are subject to standard commercial loan covenants for which the group was fully in compliance throughout the reporting period and to the date of this report.

Interest is payable on the credit facilities at a variable rate, payable at relevant base rates plus a further margin of up to 3%. Interest is payable on the term loans at a variable rate, payable at relevant base rates plus a further margin of up to 6.5%.

At 31 March 2020, $17.6m was drawn on the credit facility (2019: $9.9m).

17a. Bank Borrowings (continued)

During the reporting period, the average interest rate charged on the bank loans was approximately 8.1%. The total interest expense in the period on these borrowings, excluding amortisation of capitalised fees, was $25,671,000.

17b. Finance leases

At 31 March 2020 the Group did not have any minimum lease payments under finance leases except as disclosed in footnote 23. .

18. Leases

In the current year, the Group adopted IFRS 16 (Leases). IFRS 16 introduces significant changes to accounting for leases by removing the distinction between operating and finance leases and requiring the recognisation of right of use assets and lease liabilities, except for short-term leases and low value leases.

The Group recognises an asset and liability at the lease commencement date. The asset is recognised at cost, which compromises the intitial amount of the lease liability adjusted for any lease payments made before the commencement date, plus any initial direct costs incurred or any costs to dismantle and remove the underlying asset. The right of use asset is subsequently depreciated using a straight-line method from commencement date to the earlier of the end of the useful life of the right of use asset or end of the lease term. Property consists of office space and data centers.

The lease liability is initially measured as the present value of the lease payments that are not paid at commencement date, discounted using the incremental borrowing rate.The weighted average rate applied is 7.9%.

Extension and termination options are included in a number of property leases across the Group. These options are used to maximise operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Group has elected to account for short term leases and leases of low-value assets using the practical expedients. Right of use assets and lease liabilities are not recognised for short term leases (leases with terms less than 12 months) and leases with low values. Leases payments for these leases are recognised straightline over the lease term. See footnote 23 for minimum lease payments due.

Right of Use Assets:

	Property $000	Vehicles $000	Total $000
Balance, 1 April 2019	8,046	974	9,020
Additions	5,079	373	5,452
Amortisation charge for the year	(3,257)	(579)	(3,836)
Foreign exchange gain	33	17	50
Balance, 31 March 2020	**9,901**	**785**	**10,686**

Lease Liabilties:

	$000
Contractual undiscounted cash flows	
Less than one year	3,117
One to five years	8,331
Greater than five years	2,294
Total undiscounted lease liability at 31 March 2020	**13,742**

	$000
Current	2,427
Non-current	8,582
Lease liabilities at 31 March 2020	**11,009**

On transition to IFRS 16, the Group recognised an additional $9m of right of use assets and lease liabilities.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2020. The weighted-average rate applied is 7.9%.

Operating lease commitment at 31 March 2019 as disclosed in the financial statements	13,185
Lease liabilities recognized at 1 April 2020 using incremental borrowing rate	9,020

See footnote 23 for leases that were exemption from recognition due to being short-term or low value.

Notes to the financial statements for the year ended 31 March 2020

19. Financial instruments

The Group's financial instruments comprise cash and liquid resources, along with various items such as trade receivables, trade payables, accruals, contingent consideration and onerous contractual obligations. The Group policy does not permit entering into speculative trading of financial instruments and this policy has continued to be applied throughout the year.

The Directors consider that the carrying amount of financial assets and liabilities approximates to their fair value.

Financial assets

The Group's financial assets at the year end are analysed as follows:	**Group 2020 $000**	Group 2019 $000	**Company 2020 $000**	Company 2019 $000
Cash and cash equivalents	**28,994**	13,159	-	-
Amounts owed by subsidiary undertakings	-	-	**37,457**	37,278
Trade receivables	**30,584**	33,201	-	-
Other receivables	**7,230**	9,823	-	-
Accrued income	**1,841**	2,867	-	-
	68,649	59,050	**37,457**	37,278

The ageing of the Group's trade receivables is shown in note 12.

In the Company balance sheet, amounts receivable from subsidiary undertakings include $37.5m (2019: $37.3m) which is a £30.1m (2019: £28.6m) loan owed to the Company by its immediate subsidiary undertaking. This loan is repayable on demand and accrues interest at annually agreed rates which can vary between 0% and current market rates. A rate of 5.5% was charged for the period to 31 March 2020 (2019: 5.5%).

The interest rate profile of the Group's cash and cash equivalents was:

	Currency	**At 31 March 2020 Total $000**	**At 31 March 2020 Floating rate financial assets $000**	At 31 March 2019 Total $000	At 31 March 2019 Floating rate financial assets $000
Cash at bank	Sterling	**1,583**	**1,583**	2,679	2,679
	US Dollar	**5,696**	**5,696**	3,539	3,539
	Euro	**15,945**	**15,945**	2,472	2,472
	Danish Kroner	**1,093**	**1,093**	1,298	1,298
	Singapore Dollar	**386**	**386**	621	621
	Chinese Yuan Renminbi	**132**	**132**	291	291
	Japanese Yen	**101**	**101**	57	57
	Indian Rupee	**660**	**660**	832	832
	Other	**3,113**	**3,113**	1,369	1,369
Total cash at bank		**28,709**	**28,709**	13,158	13,158
Short-term deposits	Euro	**285**	**285**	1	1
Total short term deposits		**285**	**285**	1	1
Total		**28,994**	**28,994**	13,159	13,159

Floating rate cash earns interest based on relevant national interest rates ranging from 0.1% to 0.8%.

Financial liabilities

The Group's financial liabilities at the year end are analysed as follows:

	Note	Due in less than 1 year **2020 $000**	Due in more than 1 year **2020 $000**	Total **2020 $000**	Due in less than 1 year 2019 $000	Due in more than 1 year 2019 $000	**Group** Total 2019 $000	Due in less than 1 year **2020 $000**	**Company** Due in less than 1 year 2019 $000
Trade payables		**4,722**	-	**4,722**	2,308	-	2,308	-	-
Amounts owed to parent undertaking		**39,564**	-	**39,564**	37,278	-	37,278	**(37,457)**	(37,278)
Accruals		**11,150**	-	**11,150**	8,212	-	8,212	-	-
Other payables		-	-	-	101	-	101	-	-
Borrowings	17a	-	**320,529**	**320,529**	-	320,410	320410	-	-
Credit facility drawn amount		-	**17,644**	**17,644**	-	9,853	9,853	-	-
Finance Lease		**11,009**	-	**11,009**	-	-	-	-	-
		66,445	**338,173**	**404,618**	47,899	330,263	378,162	**-(37,457)**	-(37,278)

Notes to the financial statements for the year ended 31 March 2020

19. Financial instruments (continued)

Capital risk management

During the period, the Group financed its operations through a mixture of intercompany loans and bank borrowings. At 31 March 2020, the capital structure of the Group primarily consisted of gross debt totalling $320.5m (note 17) and parent intercompany loans totalling $39.6m. Treating the parent company debt as equivalent to equity, this equates to a gearing ratio of 74%.

The Group's overall objective when managing capital and other financial risk is to safeguard its ability to continue as a going concern in order to provide returns to shareholders (investors) and benefits to other stakeholders. To this end the Group seeks to maintain an optimal level of bank borrowings as part of the long term capital structure of the entity. The Group will review its capital structure regularly to consider the cost of capital and the risks associated with each class of capital.

Market risks are inherent in the use of debt capital, interest rate cash flow risk for example, on top of which, in the course of its normal activities, the Group is routinely exposed to a variety of other financial risks. These are discussed further below.

Capital is primarily managed at individual entity level, with the overall objective being to foster a collectively strong capital base that will provide a stable level of return to Group shareholders (investors) and long term debt providers, as well as to promote overall investor and creditor confidence. As previously noted, an optimal level of debt forms part of the long term capital structure of the Group so as to facilitate and sustain the continuing development of the business.

Financial instruments and risk management

The main risks arising from the Group's financial instruments are counterparty credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group monitors these risks primarily through cash flow forecasting and sensitivity analysis, with a central treasury function identifying and evaluating financial risks in close co-operation with the Group's main operational functions.
The use of simple financial derivatives is considered in order to hedge specific financial risk where cost effective to do so. The Group does not enter into, or trade, financial instruments, including derivative financial instruments, for speculative purposes.

Counterparty credit risk

This is the risk that a counterparty will be unable to pay amounts in full when due. Credit risks are associated with deposits with banks and receivables from customers. Exposure levels and credit limits applicable to each bank or customer are reviewed on a regular basis.

Liquidity risk

This is the risk that the Group will have insufficient funds to meet its financial liabilities, including scheduled repayments of its borrowing facilities, as they fall due. As the Group is strongly cash generative, and, with a high level of recurring income, its liquidity risk is considered to be low.

That said, the Group still remains highly alert to liquidity risk and centrally manages its cash. The objective is to provide efficient cash and tax management and cost effective core funding to operating businesses, and this is undertaken by central pooling of surplus funds via the use of intra-group loans. This process also ensures that there are sufficient funds available to meet the scheduled loan repayments, as well as the expected funding requirements of the Group operations and investment opportunities.

As noted above, BluJay Solutions Group Holdings Ltd is funded by a parent company loan of $39.6m rather than by equity subscription. The loan is repayable on demand although the parent undertakings of BluJay Solutions Group Holdings have confirmed that they will continue to provide such financial support as necessary to BluJay Solutions Group Holdings to enable the company to pay its debts as and when they become due, and, furthermore, that they will not demand repayment of the loan or any other amounts payable by BluJay Solutions Group Holdings Ltd until such time as the company is able to repay such amounts without detriment to its operation as a going concern.

Foreign currency risk and hedging

The Group's principal exposure to exchange rate fluctuations arises on the translation of diverse overseas net assets and results into a single presentation currency (currently US dollars) on consolidation. Overseas investments are not hedged, but the level of such balance sheet exposure will be regularly monitored to ensure this remains appropriate. Translation exposures on direct transactions, such as fund transfers between Group countries, will be managed by reviewing movements on exchange rates.
The table below approximates the impact on the Group's profit before tax of a reasonably possible +/- 1% exchange rate movement (of US dollars against the specified currency, with all other variables held constant) of the Group's major non-USD trading currencies during the year.

	2020	2019
	$000	$000
Euro +/-	**29**	87
Pounds Sterling +/-	**75**	53
	104	140

The Group's borrowings are denominated in a mixture of US dollars, pounds sterling and euros. This matches closely the Group's underlying cash generation, so mitigating significantly any economic currency risk on servicing the debt. However, given a US dollar presentation currency for the consolidated financial statements, the group may experience significant non-cash foreign exchange retranslation variances in the presentation of its debt going forwards.

Notes to the financial statements for the year ended 31 March 2020

19. Financial instruments (continued)

Interest rate risk

The Group is exposed to interest rate fluctuations on its borrowings (as detailed in note 17), but will actively monitor this exposure going forwards with a view to putting in place interest rate swaps or caps where deemed beneficial. As an illustration, each 0.1% increase in the relevant base above a 0.5% base would add approximately $320,000 to the total interest expense for the next twelve months. The current Euro borrowing is significantly below the 0.5% base however and would require a relevant base rates increase of around 0.8% before any additional interest charges were due.

Interest income is generated from cash and short term deposits held by the Group. The Group's exposure to interest rate risk on surplus cash is currently minimal.

As noted previously, the Company has a parent company loan outstanding for £30.1m ($37.5m) which is repayable on demand. The loan is also subject to interest at a rate to be agreed annually between the Company and its parent. For the period ended 31 March 2020 the rate of interest was agreed at 5.5%, although this may be subject to change in future years.

20. Provisions

Group	Dilapidations liability $000	Restructure costs $000	Total $000
At 1 April 2018	158	279	437
Utilised during the year	(63)	(139)	(202)
Exchange differences	-	(10)	(10)
At 31 March 2019	95	130	225
At 1 April 2019	**95**	**130**	**225**
Utilised during the year	**(17)**	**-**	**(17)**
Exchange differences	**-**	**(6)**	**(6)**
At 31 March 2020	**78**	**124**	**202**

The provisions are financial liabilities on which no interest is charged. The fair value of the financial liabilities approximate to their book value.

Analysed as:	**Group 2020 $000**	Group 2019 $000
Current liabilities	**78**	95
Non current liabilities	**124**	298
	202	393

The deferred consideration relates to the Era acquisition which closed in October 2018. The additional payments are highlighted in note 26.

21. Called up share capital

	Number	**31 March 2020 $000**	Number	31 March 2019 $000
Issued, allotted, called up and fully paid:				
A Ordinary shares of £1 each	**10,000**	**16**	10,000	16
		16		16

Notes to the financial statements for the year ended 31 March 2020

22. Related party transactions

The Company has not undertaken any trading transactions with either its subsidiaries or its parent. The Company has loans outstanding from its parent and to its subsidiary undertakings which are subject to interest and upon which a loan rate of 5.5% has been applied for the period to 31 March 2020 (2019: 5.5%).

During the period, the group received advisory and support services from Francisco Partners for which a management charge of $688,000 (2019: $704,000) was paid.

Amounts owing to or from subsidiaries are disclosed in the balance sheet and related notes. Investment in subsidiaries during the period is disclosed in note 10.

Key management disclosures are contained in note 5.

23. Financial commitments and leases

At 31 March 2020 the Group was committed to making the following minimum lease payments in respect of short term leases or small value leases which do not have right of use assets or lease liabilities recognised. The settlement falls due for settlement as follows:

	Land and buildings **2020**	Other assets **2020**	Land and buildings 2019	Other assets 2019
	$000	**$000**	$000	$000
Within one year	**9**	**9**	3,412	371
In the second to fifth years inclusive	**12**	**9**	7,743	966
After five years	**-**	**-**	693	-
	21	**18**	11,848	1,337

Other assets primarily include computer hardware, cars and photocopiers.
Leases which have right of use assets and lease liabilties recognised are disclosed in footnote 18.

24. Revenue

In accordance with the Companies Act and IFRS 15, the Group's revenues split by geography and major revenue class as are follows:

	Year ended 31 March 2020				Year ended 31 March 2019			
	Americas	**APAC**	**EMEA**	**Total**	Americas	APAC	EMEA	Total
	$000	**$000**	**$000**	**$000**	$000	$000	$000	$000
License revenue	**716**	**174**	**2,414**	**3,304**	1,774	127	1,557	3,458
Services revenue	**16,065**	**2,965**	**16,984**	**36,014**	14,724	4,599	17,244	36,567
Maintenance revenue	**9,657**	**2,917**	**13,751**	**26,325**	9,984	3,666	14,648	28,298
LaaS	**24,543**	**-**	**-**	**24,543**	20,511	-	-	20,511
SaaS	**43,680**	**3,358**	**29,654**	**76,692**	40,980	2,351	29,207	72,538
Other	**647**	**-**	**77**	**724**	-	25	62	87
	95,308	**9,414**	**62,880**	**167,602**	87,973	10,768	62,718	161,459

25. Deferred Revenue

Deferred revenue movements related to invoicing and revenue recognition for the period are noted below. Based on the nature of BluJay's business and when the performance obligations will be met, the ending deferred revenue will be recognized within one year from year-end.

	2020	2019
Beginning balance, 1 April	**33,377**	28,713
Amounts from acqusitions	**414**	1,564
Amounts invoiced	**145,129**	77,992
Revenue recognized	**(143,367)**	(73,872)
Foreign exchange	**(569)**	(1,020)
Ending balance, 31 March	**34,984**	33,377

26. Acquisitions

Acquisition of Expedient Software

On 20 December 2019, BluJay Group entered into a Share Sale Deed with Gavin Millman & Associates (Aust.) Pty Ltd. On 28 February 2020, the BluJay group completed the acquisition and changed the name to Expedient Software Pty Limited (Expedient). Expedient is a leading provider of customs and forwarding software for the logistics market in Australia and New Zealand. With the acquisition, BluJay broadens its customs and forwarding technology offerings, along with its presence in the Asia-Pacific region.

Base cash consideration was AU$12m. Share consideration was AU$3m, which was issued by Parent of the BluJay group. For this consideration, BluJay acquired the entity based in Australia.

The acquisition was financed by additional term loans of $4.1m, issuing shares in the Parent Company of $1.95m and cash.

The identifiable assets acquired and liabilities assumed upon acquisition are set out in the table below:

	Note	Fair Value $000
Other intangible assets	8	4,295
Property, plant and equipment	9	121
Deferred tax assets		59
Trade and other receivables - gross value		460
Trade and other payables		(847)
Deferred tax liabilities	16	(1,600)
Cash		1,815
Net assets acquired		4,303
Goodwill	7	7,057
Total consideration		11,360
Satisfied by:		
Cash		9,408
Shares issued by Parent Company		1,952
		11,360
Cash flow attributable to acquisition:		
Cash consideration paid		7,809
Less: cash acquired		(1,815)
Net cash outflow arising upon acquisition		5,994
Cash to be paid		1,599
Total cash outflow		7,593

The fair value of the financial assets includes trade receivables with a gross contractual value of $460,000, which is also the best estimate of fair value.

The goodwill of $7,057,000 arising from the acquisition includes the value attributed to the workforce. There was also considered to be material value in the growth prospects of Expedient and its ability to foster new customer relationships. All these factors are reflected in the goodwill balance. None of the goodwill is expected to be deductible for tax purposes.

Acquisition-related costs amounted to $1,224,000 (note 1).

Expedient contributed revenue in 2019 was $209,000, as well as profit before tax and amortisation/impairment of intangibles of $25,000 (after amortisation/impairment of intangibles, profit before tax of $20,000).

Notes to the financial statements for the year ended 31 March 2020

26. Acquisitions, continued

Acquistion of CSF Solutions

On 10 April 2018, the BluJay group completed the acquisition of CSF Solutions by acquiring all 100% of the shares. CSF is a leading provider of customs and compliance solutions to the German market. With the acquisition, BluJay further solidifies its position as Germany's leading custom solutions provider. Prior to the acqusition in April 2018, BluJay owned 33% of one of the CSF companies. The equity investment was remeasured on the date of acquisition and a gain of $1.1m was recognized. The gain increased goodwill related to the transaction.

Base cash consideration was €6m, for CSF IS, and €1,750k for two-thirds of CSF IC since BluJay already owned one-third of CSF IC. Both entities are based in Germany.

The acquisition was financed by drawing upon the BluJay group's existing revolving credit facility, with no new term loan debt required.

The identifiable assets acquired and liabilities assumed upon acquisition are set out in the table below:

	Note	Fair Value $000
Amount settled in cash		10,330
Fair value of previously held equity investment in CSF		1,200
		11,530
Other intangible assets	8	4,373
Property, plant and equipment	9	12
Trade and other receivables - gross value		751
Trade and other payables		(1,297)
Deferred tax liabilities	16	(1,334)
Cash		990
Net assets acquired		3,495
Goodwill	7	8,035
Satisfied by:		
Cash		10,330
Cash flow attributable to acquisition:		
Cash consideration paid		10,330
Less: cash acquired		(990)
Net cash outflow arising upon acquisition		9,340

The fair value of the financial assets includes trade receivables with a gross contractual value of $194,000, which is also the best estimate of fair value.

The goodwill of $6,835 arising from the acquisition includes the value attributed to the workforce. There was also considered to be material value in the growth prospects of the CSF. This factor is reflected in the goodwill balance. None of the goodwill is expected to be deductible for tax purposes. Th difference in the gain on equity investment calculated above and in the income statement is due to foreign exchange differences at the time of acquisition and year-end.

Acquisition-related costs for the acquisitions in FY19 amounted to $1,661,000 (note 1).

CSF would have contributed revenue $2.8m in revenue if it had been acquired at the beginning of 2019.

26. Acquisitions, continued

Acquistion of Grosvenor International Systems Ltd

On 1 August 2018, the BluJay group completed the acquisition of Grosvenor International Systems Ltd by purchasing 100% of the voting equity shares. Grosvenor's pioneering customs duty management sofware helps importers and exporters throughout Britain and Europe drive efficiencies, improve cashflow and reduce costs.

Base cash consideration was £4.3m.

The acquisition was financed by with additional term debt as an accordion to the current facilitities:

The identifiable assets acquired and liabilities assumed upon acquisition are set out in the table below:

	Note	Fair Value $000
Other intangible assets	8	2,468
Property, plant and equipment	9	55
Trade and other receivables - gross value		491
Trade and other payables		(555)
Deferred tax liabilities	16	(612)
Cash		1,333
Net assets acquired		3,180
Goodwill	7	3,680
Total consideration		6,860
Satisfied by:		
Cash		6,860
Cash flow attributable to acquisition:		
Cash consideration paid		6,860
Less: cash acquired		(1,333)
Net cash outflow arising upon acquisition		5,527

The fair value of the financial assets includes trade receivables with a gross contractual value of $409,000, which is also the best estimate of fair value.

The goodwill of $3,680,000 arising from the acquisition includes the value attributed to the workforce. There was also considered to be material value in the growth prospects of Grosvenor. This factor is reflected in the goodwill balance. None of the goodwill is expected to be deductible for tax purposes.

Acquisition-related costs for the acqusitions in FY19 amounted to $1,661,000 (note 1).

Grosvenor would have contributed revenue $2.5m in revenue if it had been acquired at the beginning of 2019.

Notes to the financial statements for the year ended 31 March 2020

26. Acquisitions, continued

Acquisition of Era

On 1 October 2018, the BluJay group completed the acquisition of Era Systems Srl by aquiring 100% of the voting shares. Era System is a young Italian based customs software provider with a 100% focus on the Italian market. It also has other solutions in its portfolio typically focused on the freight forwarder (freight management, terminal, accounting & billing). They are one of the few Italian customs software providers using recent technology (cloud based).

Base cash consideration was €1.7m, for which BluJay acquired a company based in Italy.

The acquisition was financed by drawing upon the BluJay group's existing revolving credit facility, with no new term loan debt required.

The identifiable assets acquired and liabilities assumed upon acquisition are set out in the table below:

	Note	Fair Value $000
Other intangible assets	8	592
Property, plant and equipment	9	34
Trade and other receivables - gross value		194
Trade and other payables		(90)
Deferred tax liabilities	16	(145)
Cash		259
Net assets acquired		844
Goodwill	7	1,128
Total consideration		1,972
Satisfied by:		
Cash		1,972
Cash flow attributable to acquisition:		
Cash consideration paid		1,537
Less: cash acquired		(259)
Net cash outflow arising upon acquisition		1,278
Additional consideration (12 months after closing)		174
Additional consideration (24 months after closing)		261
Total potential cash outflow		1,713

The fair value of the financial assets includes trade receivables with a gross contractual value of $166,000, which is also the best estimate of fair value.

The goodwill of $1,128,000 arising from the acquisition includes the value attributed to the workforce. There was also considered to be material value in the growth prospects of Era and its ability to foster new customer relationships. All these factors are reflected in the goodwill balance. None of the goodwill is expected to be deductible for tax purposes.

Acquisition-related costs for the acqusitions in FY19 amounted to $1,661,000 (note 1).

Era would have contributed revenue $2.5m in revenue if it had been acquired at the beginning of 2019.

Notes to the financial statements for the year ended 31 March 2020

27. Dividends

No dividends were declared in the year ended 31 March 2020 or year ended 31 March 2019.

28. Contingent liabilities

The Group has given a guarantee declaring itself jointly and severally liable for the liabilities of its subsidiary undertaking, BluJay Solutions Holding BV, in accordance with Article 403, 1f, Volume 2 of the Dutch Civil Code.

29. Ultimate controlling entity

The company's immediate parent company is Blujay Topco Limited, a company incorporated in the United Kingdom. Blujay Topco Limited prepares group financial statements that can be obtained from its registered office at Blue Tower, 14th Floor, MediaCityUK Salford Quays M50 2ST. The ultimate controlling entity is Francisco Partners III L.P., of 1 Letterman Drive, Building C - Suite 410, San Francisco, CA 94109.