

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

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METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors	Peter Rowlinson Mark Thompson Ann Gaskell Stephen Horrocks Zoe Lewis Pat Crossley-Smith Alan Morgans	(Appointed 22 May 2019) (Appointed 21 August 2019)
Company Number	02485577	
Registered Office	16 St Martin's Le Grand London EC1A 4EN	
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH	
Business Address	16 St Martin's Le Grand London EC1A 4EN	

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METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The Directors present the Strategic Report for the year ended 30 April 2019.

Fair review of the business

The Company's principal market continues to be the Public Sector, with a particular strength in Central Government. It provides IT professional services with a mission to empower government to use digital technologies to transform how our clients deliver services to the general public.

The Company has performed well, with turnover growth of 29% spread across all service offerings. Operating Profit and profitability before share based payments and tax has increased from £3.0m (Profitability % - 4.6%) to £5.0m (Profitability % - 5.8%) over the year with reserves rising to a surplus of £7.7m (2018: £4.5m). Cashflow was also strong with cash in bank and in hand increasing to £7.3m (2018: £1.7m).

Principal risks and uncertainties

The Board reviews and agrees policies for managing the main risks to the Company which are summarised below:

Political Risk

The main uncertainties arising for the Company are around the public sector spending profile adopted by the government in future parliaments and changes in procurement practices in the public sector away from the commercial enabling frameworks the Company participates in. The company maintains strong reserves to mitigate this risk.

Public Sector Spending

Whilst the Company's income is predominantly public sector based, the Company's market share is not considered to be high enough to be materially impacted by public sector spending cuts. In fact the current focus on achieving much greater value from suppliers plays well to the Company's capabilities and competitive positioning. On-going pro-activity by UK Government to promote the use of SME suppliers works to the Company's advantage. The public sector's adoption of new techniques and technologies also favours the Company's offerings over and above traditional competitors.

Public Sector Procurement Frameworks

Public sector organisations mostly use standard EU compliant procurement frameworks to simplify and standardise buying procedures and contractual terms. The Company has won positions on various major public sector frameworks through which it conducts the majority of its business. The Company works hard to promote the use of these frameworks with its clients and we participate in and regularly review these as they come up for renewal to ensure we are able to take full advantage of them in the future.

Delivery Risk

As with all professional services organisations, the Company delivers assignments against a range of measures that are agreed at the outset of projects. Alterations to time, scope, and cost can impact upon delivery and constitute normal risks to be managed. We have invested in greater quality assurance capabilities to strengthen our existing risk management across all Group projects.

Brexit

The Company trades primarily with the UK public sector and it is therefore not directly exposed to any potential changes in access to the European Union Single Market. The Company's principal cost is UK resident staff and contractors and therefore the risks from potential changes in residency rules are low. We have experienced a small number of European staff return to their home countries. Recruiting European staff generally is proving more difficult in skills areas that are already in short supply. The remaining supply chain is principally serviced by UK based professional and IT service providers and the risk to disruption of this supply chain from Brexit related issues is also judged to be medium to low.

The Company is, however, subject to risks associated with both a change in Government or changes in government spending priorities as a result of the Brexit referendum. In the short term either of these may result in slowing of

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

growth until such time as greater clarity on government direction and spending priorities is available. The Directors believe, though, that the Company is well placed to respond swiftly and proactively to assist Government with whatever initiatives or projects, of a digital or technology nature, are required once the uncertainty comes to an end.

Performance and development

The Company made Operating Profit of £4.8m (2018: £3.1m). Before share-based payments, Operating Profit was £5.0m (2018: £3.1m) for the year on a turnover of £85.3m (2018: £66.2m).

At 30 April 2019 the Company had net assets of £8.0m (2018: £4.8m).

Cash in bank and in hand increased from £1.0m to £7.3m driven by improved profits, DSO (days sales outstanding) and a reduction in amounts due from connected companies as a result of their improved profitability and cash flow.

The Company continues to make major investments to ensure we are favourably placed to develop and grow for the future.

Key initiatives include:

- A new Development division to enhance our engineering capabilities and cyber security competencies and amplify the Group's other offerings, which will lead to the ability to win and deliver larger more complex contracts.
- A move to a new London HQ office that doubles available space, and new satellite offices in Birmingham and Bristol.
- Significant investment in our staff through enhanced learning, communities of practice and working practices that develop a high performing culture.
- An Emerging Technology hub that functions as an incubator for new offerings in data-driven technologies.

Key financial and other performance indicators

The Board monitors at each of its monthly board meetings the following key performance indicators as these are the strongest indicators of the ongoing financial health of the Company in terms of profit and cash flow.

- Turnover: £85.3m (2018: £66.2m)
- Profitability¹: 5.8% (2018: 4.6%)
- EBITDA²: £5.0m (2018: £3.1m)
- Cash generated from operations: £8.2m (2018: £0.7m)

1 = Operating profit / Turnover

2 = Earnings before interest, tax, depreciation, amortisation, share-based payments, exceptional items and amounts written off investments.

On behalf of the board



Peter Rowlins

Director

30 October 2019

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The Directors present their Annual Report and audited financial statements for the year ended 30 April 2019.

Principal activities

The principal activity of the Company continued to be the provision of business change, technology and procurement consultancy services, primarily for public sector clients.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

Peter Rowllins	Zoe Lewis
Mark Thompson	Pat Crossley-Smith (Appointed 22 May 2019)
Ann Gaskell	Alan Morgans (Appointed 21 August 2019)
Stephen Horrocks	

Results and dividends

The results for the year are set out on page 9.

Interim dividends were paid amounting to £813,000 (2018: £512,000). The Directors do not recommend payment of a final dividend (2018: Nil).

Share Based Payments

Methods Holdings Limited issued 1,140,987 share options to employees of the Company (see Note 18) of which 918,668 are outstanding at 30 April 2019. Under the terms of the scheme the options can only be exercised on a change of control, transfer of business or a listing. On exercise, the shareholders will sell their existing shares to the option holders under contracts between the shareholders and the option holders. The Company and its holding company are not party to these contracts and will not issue new shares for the option holders to purchase. The obligation to sell shares to the option holders therefore sits directly with the shareholders, not the Company.

FRS 102 requires a fair value of options granted to be booked as a cost to the profit and loss account over their vesting period. In order to comply with FRS 102, the Directors re-reviewed their assessment of the option value and charge to the profit and loss account. In the year ended 30 April 2018 this charge was deemed to be immaterial and therefore no charge was booked. The Directors have, however, reviewed the cumulative charge that will need to be charged over the vesting period, and whilst the in year impact in both 2018 and 2019 is still not material, the cumulative charge may become so over time. A charge of £216,305 has therefore been booked to the statement of comprehensive income this year along with an equal increase to profit and loss reserves.

Whilst under FRS 102 Operating Profit is measured after this charge, because the liability on exercise sits directly with the shareholders, the Directors regard Operating Profit before a charge for share based payments, to be a better measure of performance of the Company.

Financial instruments

Financial risk management policy

The Company's financial instruments comprise cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations. The main financial risks arising from these financial instruments are liquidity and credit risk.

Liquidity risk

Liquidity risk arises in relation to the Company's management of working capital and the risk that the Company will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and ongoing working capital requirements are regularly reviewed by the Directors.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

Credit risk

Trade debtors and trade creditors give risk to credit risk for the Company.

Trade debtors are, where appropriate, subject to a credit check, and regular reviews are undertaken of exposures to key customers and those where known risks have arisen or still persist. Unpaid balances are rigorously followed up on an ongoing basis. Any indications of impairment to the recoverability of trade debtor balances are provided for in the profit and loss account.

The risk arising from the possible non-advance of credit by the Company's trade creditors either by exceeding the credit limit or not paying within the specified terms is managed by prompt payment and monthly monitoring of the trade balance and credit limit terms for all suppliers.

The financial risk regarding amounts owed by connected companies is considered low risk as they are under the common control of the ultimate shareholders.

Future developments

Looking ahead, we will aim for further revenue growth and increased profitability in the next trading year, though this is subject to the resolution of the current uncertainties surrounding Brexit. The Directors will remain focused on the public sector as our client base, continuing to diversify service offerings. A large number of public sector organisations are undergoing significant change as they adapt to greater expectations from the public, lower budgets and having to adapt to new ways of working. We expect this market demand to continue for the foreseeable future.

Subsequent event

The Company served notice to quit on its existing head office on 22 May 2019. On 21 August 2019 the Company signed a lease for a new head office for 10 years with an option to terminate after 5 years (see Note 22 for details).

Directors third party indemnity provision

The Company has purchased insurance to cover its Directors and Officers against their costs in defending themselves in any legal proceedings taken against them in that capacity and in respect of damages resulting from the unsuccessful defence of any proceedings.

Independent Auditors

Following a formal tender process, PricewaterhouseCoopers LLP were appointed as auditors on 27 February 2019 replacing HW Fisher & Company. PricewaterhouseCoopers LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to independent auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



Peter Rowlinson

30 October 2019

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2019

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

FOR THE YEAR ENDED 30 APRIL 2019

Report on the audit of the financial statements

Opinion

In our opinion, Methods Business and Digital Technology Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 April 2019; the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended, and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

FOR THE YEAR ENDED 30 APRIL 2019

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 April 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

FOR THE YEAR ENDED 30 APRIL 2019

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

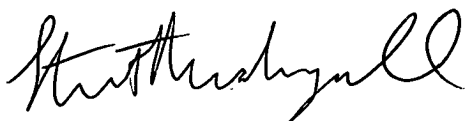
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Stuart Macdougall (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

30.10.2019

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Turnover	3	85,340,265	66,214,132
Other operating income	3	421,075	462,321
Other external charges		(65,465,442)	(50,885,677)
Staff costs	5	(12,009,105)	(9,885,293)
Depreciation and other amounts written off tangible and intangible fixed assets	11	(7,202)	(74,686)
Other operating charges		(3,302,697)	(2,815,455)
Operating profit before share based payments		4,976,894	3,015,342
Charge for share-based payments	18	(216,305)	-
Operating profit	4	4,760,589	3,015,342
Interest receivable and similar income	7	39,507	38,398
Interest payable and similar expenses	8	(4,687)	(465)
Profit before taxation		4,795,409	3,053,275
Taxation on profit	9	(986,761)	(636,157)
Profit for the financial year		3,808,648	2,417,118

The profit and loss account has been prepared on the basis that all operations are continuing operations.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2019

	2019 £	2018 £
Profit for the year	3,808,648	2,417,118
Other comprehensive income	-	-
Total comprehensive income for the year	3,808,648	2,417,118

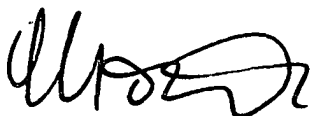
METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	11		28,712		20,152
Current assets					
Debtors	13	16,482,121		16,428,121	
Cash at bank and in hand		7,321,552		1,021,093	
		<u>23,803,673</u>		<u>17,449,214</u>	
Creditors: amounts falling due within one year	14	(15,400,927)		(12,226,044)	
Net current assets			8,402,746		5,223,170
Total assets less current liabilities			<u>8,431,458</u>		<u>5,243,322</u>
Creditors: amounts falling due after more than one year	15		(405,084)		(428,901)
Net assets			<u>8,026,374</u>		<u>4,814,421</u>
Capital and reserves					
Called up share capital	19		400		400
Share premium account			352,184		352,184
Profit and loss account			7,673,790		4,461,837
Total equity			<u>8,026,374</u>		<u>4,814,421</u>

The financial statements on pages 9 – 28 were approved by the board of Directors and authorised for issue on 30 October 2019 and are signed on its behalf by:



Peter Rowlinson
Director

Company Registration No. 02485577

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Called up share capital £	Share premium account £	Profit and loss account £	Total £
Balance at 1 May 2017		400	352,184	2,556,719	2,909,303
Year ended 30 April 2018					
Profit and total comprehensive income for the year		-	-	2,417,118	2,417,118
Dividends	10	-	-	(512,000)	(512,000)
Balance at 30 April 2018		<u>400</u>	<u>352,184</u>	<u>4,461,837</u>	<u>4,814,421</u>
Year ended 30 April 2019					
Profit and total comprehensive income for the year		-	-	3,808,648	3,808,648
Capital contribution from Methods Holdings in relation to fair value of share options granted to employees	18	-	-	216,305	216,305
Dividends	10	-	-	(813,000)	(813,000)
Balance at 30 April 2019		<u><u>400</u></u>	<u><u>352,184</u></u>	<u><u>7,673,790</u></u>	<u><u>8,026,374</u></u>

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1 Accounting Policies

Company Information

Methods Business and Digital Technology Limited is a private company limited by shares incorporated in England and Wales. The registered office is 16 St Martin's Le Grand, London, EC1A 4EN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted have been consistently applied and are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Methods Holdings Limited. These consolidated financial statements are available from its registered office: 16 St Martin's Le Grand, London, United Kingdom, EC1A 4EN.

1.2 Going concern

The financial statements have been prepared on a going concern basis under the historical cost convention. The Directors believe that preparing the financial statements on a going concern basis is appropriate since the Directors have a reasonable expectation that the Company has adequate resources to continue trading for at least 12 months after signing of these financial statements. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for services net of VAT.

Time and materials revenue is recognised to the extent that time has been completed and materials expensed in the year. The amount recognised is based on the billable value of time worked.

Revenue from fixed price contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1.3 Turnover (continued)

by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. If it is expected that there will be a loss on a contract as a whole, all of the loss is recognised as soon as it is foreseen.

Revenue from managed services or subscription income, where the customer is charged a fixed amount over a period of time, is recognised rateably over period for which the charge applies.

Revenue from the resale of third party goods, licences or services is recognised on the date of delivery to the customer of the goods, licence or services.

Revenue recognised but not yet invoiced to the client is recognised on the balance sheet as Accrued Income within Debtors.

Amounts invoiced to clients in advance of revenue being recognised, are recognised as Deferred Income within Creditors falling due within one year. The balance is released to the profit and loss account as service is delivered to the customer in line with the appropriate revenue recognition method.

1.4 Other external charges

Other external charges comprise the cost of contractors and services outsourced to third party providers.

1.5 Other operating charges

Other operating charges comprise the costs incurred with third parties relating to operating the Company.

1.6 Tangible assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	Straight line over 3 years
Fixtures, fittings and equipment	Straight line over 5 years
Computer equipment	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the profit and loss account.

1.7 Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

1.8 Impairment of tangible and investment assets

At each reporting period end date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1.8 Impairment of tangible and investment assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

1.9 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks. Bank facilities are shown within borrowings in current liabilities when utilised.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1.8 Financial instruments (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from group and connected companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are

presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.12 Taxation

The tax expense represents the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

1.13 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in the profit and loss account in the period in which it arises.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.16 Share-based payments

The parent company participates in an equity-settled share based payments arrangement granted to certain employees of this company. Equity-settled share-based payments are measured at fair value at the date of grant using the Directors' valuation.

The Company's share based arrangement consists of options that may be exercised on a change of control, transfer of business or a listing but does not include a reorganisation. The cost of granting share options is recognised rateably through the profit and loss account from the date of grant up to the likely date of exercise of the options, having first assumed a reasonable attrition rate through to the likely date of exercise.

Where the performance of certain non-market conditions are required to be satisfied before the options can vest or be exercised, the Company estimates the fair value of the options to be nil if these conditions are not likely to arise in the near future. This estimate is revised at each financial year end.

Where the options vest on date of grant and the Company expects the options to be exercised within a short period of time, the Company calculates the cost of the grant using the intrinsic value of the underlying shares to be obtained on exercise as this is expected to amount to a reasonable approximation of the fair value of the options. Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

The parent company has no cash-settled arrangements.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Loss making contracts

Where a contract is loss making the Company provides for the full loss of the contract once the loss has been identified and validated by management.

Recoverability of loans to companies under common control

The Company assesses the recoverability of loans to companies under common control based upon the current position and the expected future cashflows of those companies.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition

Revenue is recognised based on the value of services delivered in a period. For time and materials engagements this is based on the billable value of time worked. For fixed price projects the Company recognises revenue based on the percentage completion of the contract. Percentage completion is calculated by dividing the total cost to date on the contract by the total estimated cost for the whole contract. Total estimated costs are based on management judgement and detailed project plans. The accounting policy for revenue is disclosed in note 1.3 of the financial statements and the turnover for the year is disclosed in note 3 of the financial statements.

Accruals and provisions

Accruals are based on the best estimate of costs that are expected to be invoiced after the year end. These are based on management's knowledge of costs relating to the Company that have not yet been billed and invoices relating to the financial year that are received after the year end.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

3 Turnover and other operating income

	2019 £	2018 £
Turnover analysed by class of business		
Rendering of services	<u>85,340,265</u>	<u>66,214,132</u>
Other operating income		
Management fees charged to companies under common control	420,420	436,581
Sundry other income	655	25,740
	<u>421,075</u>	<u>462,321</u>
Turnover analysed by geographical market		
United Kingdom	<u>85,340,265</u>	<u>66,214,132</u>

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging		
Fees payable to the Company's auditors for: the audit of the Company's financial statements	27,200	30,000
tax compliance	5,500	-
Charge for share based payments	216,305	-
Depreciation of owned tangible fixed assets	7,202	74,686
Operating lease charges	152,994	261,476

Fees payable to the Company's auditors in 2018 include fees for tax compliance and preparation of the accounts.

5 Employees

The average number of persons including Directors employed by the Company during the year was

	2019 Number	2018 Number
Consultants	95	77
Office and Admin	42	40
Sales and Marketing	14	13
	<u>151</u>	<u>130</u>
Their aggregate remuneration comprised:		
Wages and salaries	10,472,414	8,671,350
Social security costs	1,279,833	1,034,944
Pension costs	256,858	178,999
	<u>12,009,105</u>	<u>9,885,293</u>

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	1,039,442	885,817
Social security costs	132,298	116,662
Pension costs	24,213	22,389
	1,195,953	1,027,568

The number of Directors for whom retirement benefits are accruing under defined contribution schemes amounted to

5	5
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Remuneration disclosed above include the following amounts paid to the highest paid Director:

	£	£
Remuneration for qualifying services	244,903	210,929
Social security costs	32,092	27,918
Pension costs	2,131	4,621
	279,126	243,468

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits and loans	31,954	26,139
Income from fixed asset investments		
Income from fixed asset investments	7,553	12,259
Total income	39,507	38,398

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	4,687	465

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

9 Taxation on profit

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current year	915,968	742,808
Adjustments in respect of prior year	(3,777)	(3,773)
Total current tax	912,191	739,035
Deferred tax		
Movement in year	74,570	(102,878)
Total tax charge	986,761	636,157

The Company has estimated losses of £77,713 (2018: £400,266) available to carry forward against future taxable profits of certain business units.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	4,795,409	3,053,275
Standard corporation tax rate in the UK	19%	19%
Expected tax charge based on the standard rate of corporation tax	911,128	580,122
Tax effect of expenses that are not deductible in determining taxable profit	48,644	32,775
Revaluation of timing differences to expected tax rate	17,109	-
Tax effect of utilisation of tax losses not previously recognised	-	(26,716)
Unutilised tax losses carried forward	-	(102,878)
Adjustments in respect of prior years	(3,777)	(3,773)
Depreciation in excess of capital allowances	-	1,641
Tax effect of group relief from other group companies	(3,551)	-
Tax effect of potential research and development relief	(14,298)	-
Provision of possible clawback of previous years' corporation tax relief	31,506	154,986
Taxation charge for the year	986,761	636,157

Factors that may affect future tax charge: In the Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate at 19% for the years starting on 1 April 2017, 2018 and 2019 and at 18% for the year starting on 1 April 2020. In the 2016 Budget, the government announced a further reduction to the Corporation Tax main rate for the year starting on 1 April 2020, setting the rate at 17%. The reduction in corporation tax rate is expected to reduce the future tax charge for the group.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

10 Dividends

	2019 £	2018 £
Interim paid - £2,032.50 per share (2018: £1,280.00 per share)	813,000	512,000

11 Tangible assets

	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 May 2018	183,977	153,626	88,264	425,867
Additions	-	15,762	-	15,762
At 30 April 2019	183,977	169,388	88,264	441,629
Accumulated depreciation and impairment				
At 1 May 2018	183,977	133,474	88,264	405,715
Depreciation charged in the year	-	7,202	-	7,202
At 30 April 2019	183,977	140,676	88,264	412,917
Carrying amount				
At 30 April 2019	-	28,712	-	28,712
At 30 April 2018	-	20,152	-	20,152

12 Investments

	2019 £	2018 £
Unlisted Investments	-	-

The unlisted investments represent minority interest in two Limited Liability Partnerships. As at 30 April 2019, the Directors do not believe that the investments are recoverable and therefore the full provision against the investments made in the previous years have remained.

Movement in investments

	Unlisted investments £
Cost or valuation	
At 1 May 2018 & 30 April 2019	655,000
Impairment	
At 1 May 2018 & 30 April 2019	655,000
Carrying amount	
At 1 May 2018 & 30 April 2019	-

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

13 Debtors

	2019 £	2018 £
Amounts falling due within one year		
Trade debtors	7,701,640	6,386,373
Corporation tax receivable	-	23,115
Amounts due from connected companies	501,457	1,041,813
Other debtors	359,866	119,215
Prepayments and accrued income	7,890,850	8,513,998
	<u>16,453,813</u>	<u>16,084,514</u>
Deferred tax asset (note 16)	28,308	102,878
	<u>16,482,121</u>	<u>16,187,392</u>
Amounts falling due after more than one year		
Other debtors	-	240,729
	<u>-</u>	<u>240,729</u>
Total debtors	<u>16,482,121</u>	<u>16,428,121</u>

Amounts due from connected companies are unsecured, interest bearing at Bank of England base rate plus 1.25% and repayable on demand.

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,819,248	1,632,310
Corporation tax payable	724,738	1,030,568
Other taxation and social security	2,435,410	1,915,471
Amounts due to group undertakings	313,650	218,359
Amounts due to connected companies	265,474	153,077
Other creditors	65,509	21,989
Accruals and deferred income	8,776,898	7,254,270
	<u>15,400,927</u>	<u>12,226,044</u>

Amounts due to connected companies are unsecured, interest bearing Bank of England base rate plus 1.25% and repayable on demand.

15 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Corporation tax payable	405,084	428,901
	<u>405,084</u>	<u>428,901</u>

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

16 Deferred taxation

Deferred tax assets and liabilities are offset where there is a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2019 £	Assets 2018 £
Tax losses	14,670	102,878
Capital allowances and other timing differences	13,638	-
	<u>28,308</u>	<u>102,878</u>
	2019 £	2018 £
Movement in the year		
Asset at 1 May 2018	102,878	-
(Charge) / credit to profit and loss	(74,570)	102,878
Asset at 30 April 2019	<u>28,308</u>	<u>102,878</u>

The deferred tax asset is in relation to past losses of Methods Enterprise Limited whose trade, assets and liabilities were transferred in November 2015. The losses are expected to be relieved against future profits within one year.

17 Retirement benefit schemes

	2019 £	2018 £
Charge to the profit and loss account in respect of defined contribution schemes	<u>256,858</u>	<u>178,999</u>

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

18 Share-based payment transactions

During the year ended 30 April 2018, the parent Company entered into an equity-settled share-based payment arrangement in respect of employees of this Company. All options remaining options outstanding are under an Enterprise Management Incentive ("EMI") scheme.

Grant date	14-Feb-18	09-Oct-18	02-Apr-19	Total
Number granted	995,987	45,000	100,000	1,140,987
Contractual life	10	10	10	10
Average weighted exercise price	£0.61	£0.92	£1.28	£0.68
Options outstanding at 30 April 2019	773,668	45,000	100,000	918,668
Average contractual life at 30 April 2019	8.8	9.4	9.9	8.9

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

18 Share-based payment transactions (continued)

	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at 1 May 2018	811,987	-	0.61	
Granted	145,000	995,987	1.17	0.61
Forfeited	(38,319)	(184,000)	(0.61)	(0.61)
Outstanding at 30 April 2019	918,668	811,987	£0.68	£0.61
Exercisable at 30 April 2019	-	-	-	-

Under the terms of the scheme the options can only be exercised on a change of control, transfer of business or a listing.

On exercise, the shareholders will sell their existing shares to the option holders under contracts between the shareholders and the option holders. The Company is not party to these contracts and will not issue new shares for the option holders to purchase. The obligation to sell shares to the option holders therefore sits directly with the shareholders, not the Company.

The Black Scholes option pricing model has been used to calculate the fair value of the options granted in the period. The key inputs to the model have been calculated using equivalent quoted companies as a reference point. In calculating the total value of the options to be expensed, an expected attrition rate has been applied to the options outstanding through to the likely exercise date of the options. The total value of the options is amortised on a straight line basis from grant date through to the likely exercise date. Both the attrition rate and likely exercise date are reviewed each year.

The Company share-based payment charge in the year was £216,305 (2018: Nil)

The Profit and Loss Account Reserves include £216,305 (2018: Nil) in relation to share-based payments

19 Called up share capital

	2019 £	2018 £
Ordinary share capital issued and fully paid		
400 (2018: 400) ordinary shares at £1 each	400	400

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

20 Financial commitments, guarantees and contingent liabilities

The Company and connected companies (through common ownership) are party to a banking arrangement with Coutts & Company, whereby an unlimited cross guarantee is given for all liabilities to the bank of any kind whether incurred alone or jointly with another. At the year end, the overall liability of the Company and connected companies to the bank was £Nil (2018: £Nil).

The Company, and connected companies (through common ownership) are party to an invoice discounting facility with RBS Invoice Finance Limited, whereby an unlimited multi-party guarantee is given for all liabilities to RBS Invoice Finance Limited. At the year end, the overall liability of the Company, its parent company and connected companies to RBS Invoice Finance Limited was £Nil (2018: £Nil).

21 Related party transactions

Transactions with related parties

During the year the Company entered into the following transactions with related parties:

	Rendering of services		Purchase of services	
	2019	2018	2019	2018
	£	£	£	£
Entities under common control				
CoreAzure Limited	51,922	31,715	36,922	-
Methods Analytics Limited	936,534	52,504	264,482	-
Fellow group undertakings	-	-	-	-
	<u>988,456</u>	<u>84,219</u>	<u>301,404</u>	<u>-</u>

Management fees receivable

	2019	2018
	£	£
Entities under common control		
CoreAzure Limited	159,864	172,371
Methods Analytics Limited	260,556	264,210
	<u>420,420</u>	<u>436,581</u>

Amounts owed to related parties at the reporting date

	2019	2018
	£	£
Entities under common control		
CoreAzure Limited	265,474	-
Methods Analytics Limited	-	153,077
Fellow group undertakings	313,650	218,359
	<u>579,124</u>	<u>371,436</u>

These balances are unsecured, interest bearing at bank of England Base rate plus 1.25% and repayable on demand.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

22 Related party transactions (continued)

Amounts owed by related parties at the reporting date

	2019 £	2018 £
Entities under common control		
CoreAzure Limited	-	43,780
Methods Analytics Limited	501,457	998,034
	<u>501,457</u>	<u>1,041,814</u>

These balances are unsecured, interest bearing at bank of England Base rate plus 1.25% and repayable on demand.

Other related party transactions

Peter Rowllins, a Director of the Company, also serves as a Director of Amersham & Chalfont Hockey Community Sports Club Limited, a Community Amateur Sports Club, and also as a director of Amersham AGP Limited, which is a subsidiary of Amersham & Chalfont Hockey Community Sports Club Limited.

In November 2016, an interest free loan of £100,000 was advanced to Amersham AGP Limited which is included in other debtors. The loan is to be repaid over a period of up to six years. In return for the preferential terms of the loan, Methods acts as principal sponsor, has the pitch named after the Company, has the majority of advertising space at the facility and benefits from preferential rates for use of the club's facilities. As at 30 April 2019, £70,000 (2018: £100,000) remained outstanding.

22 Operating lease commitments

At the reporting end date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	138,687	276,400
Between two and five years	8,659	162,685
	<u>147,346</u>	<u>439,085</u>

The Company served notice to quit on its existing head office on 22 May 2019. On 21 August 2019 the Company signed a lease for a new head office for 10 years with an option to terminate after 5 years. The commitments for this lease are not included above.

METHODS BUSINESS AND DIGITAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

23 Controlling party

At the start of the year the Company's immediate parent company was Methods Consulting (Advisory) Limited, a company incorporated in England and Wales and the ultimate parent company was Methods Holdings Limited, a company incorporated in England and Wales.

On 20th November 2018 Methods Holdings Limited acquired the share capital of Methods Business and Digital Technology Limited. As a consequence, at the balance sheet date Methods Holdings Limited is now the Company's immediate parent. Methods Consulting (Advisory) Limited was struck off on 30 April 2019.

The Directors consider the ultimate controlling party to be the Director, Mr Peter Rowlin, by virtue of his majority shareholding in the ultimate parent company.

Methods Holdings Limited is the parent undertaking of the largest and smallest group for which group financial statements are drawn up, and of which the Company is a member. The registered office address of Methods Holdings Limited is 16 St Martin's Le Grand, London, EC1A 4EN.

The group financial statements of Methods Holdings Limited are publicly available from its registered office address: 16 St Martin's Le Grand, London, EC1A 4EN.