ASITE Limited
Annual Report and Accounts
For the year ended 30 June 2015

CONTENTS

for the year ended 30 June 2015

OFFICERS AND PROFESSIONAL ADVISERS

for the year ended 30 June 2015

SECRETARY
Mr Giles Thomas

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Unit E2, 3rd Floor
Zetland House
5/25 Scrutton Street
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EC2A 4HJ

DIRECTORS
Mr Walter Goldsmith
Mr Robert Tchenguiz
Mr Nathan Doughty
Mr Tony Ryan
Mr Timothy Smalley

BANKERS
HSBC Bank plc
70 Pall Mall
London
SW1Y 5EY

REGISTRARS
Capita IRG plc
Bourne House
34 Beckenham Road
Beckenham
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BR3 4TU

AUDITORS
Milsted Langdon LLP
Winchester House
Deane Gate Avenue
Taunton
TA1 2UH

SOLICITORS
Kemp Little LLP
Cheapside House
138 Cheapside
London
EC2V 6BJ

The directors present their annual report and the audited financial statements for the year ended 30 June 2015.

Principal activities

Asite Limited is a limited company, incorporated and domiciled in England. Asite Limited is the Parent Company of a trading subsidiary, Asite Solutions Limited and its 99.7% owned subsidiary in India, Asite Solutions Private Limited. The principal activity of the Group is to provide collaborative Software as a Service (SaaS) to the Architectural, Engineering and Construction (AEC) industry to promote successful supply chain collaboration.

Business review and future prospects

I am pleased to report that the Group continued its growth on the performance of 2014. For the twelve months ended 30 June 2015 revenue increased by 12.2% to £5.289m (2014: £4.715m). Operating profit for the period increased by 19.2% to £0.757m (2014: £0.635m).

The Group continues to invest in research and development. Research and development costs incurred during the year to 30 June 2015 totalled £1.010m (2014: £0.784m), of which £0.478m (2014: £Nil) of development costs were capitalised. The directors regard investment in this area as a prerequisite for success in the medium to long term future.

We continue to expand into new markets whilst expanding our product and service base in line with our growing number of clients and the requirements they bring. We have invested in the opening of two new offices namely in Africa and the Middle East to boost our global footprint and revenues.

Principal risks and uncertainties

We undertake a continuous risk review strategy of our operations and continue to implement appropriate mitigation strategies for those risks which we have assessed as critical to the on-going operations of the Group. Significant risks identified cover recruitment and retention of key staff, system performance, technology obsolescence, client base plurality, product diversity and regulatory environment. The Group continues to monitor these risks and to update and amend mitigating strategies as appropriate.

Results and dividends

The profit for the period after taxation is shown in the Consolidated Statement of Comprehensive Income on page 7. The directors do not recommend the payment of a final dividend (2014: £Nil).

Directors

The directors, all of whom either held office during the period or had been appointed as at the date of this report, were as follows:

Name	Position
Mr Walter Goldsmith	Chairman
Mr Gordon Ashworth	Non-Executive Director (resigned 9 June 2015)
Mr Robert Tchenguiz	Non-Executive Director
Mr Nathan Doughty	Chief Operating Officer
Mr Tony Ryan	Group Chief Executive Officer
Mr Timothy Smalley	Non-Executive Director

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

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

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

- select suitable accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed by the Group, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

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

Directors' and officers' liability insurance
Directors' and officers' liability insurance has been purchased by the Group during the year. The Company's Articles of Association provide, subject to the provision of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers. This includes any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors.

Financial instruments
The Group is exposed to foreign currency risk through its investment in Asite Solutions Private Limited (Asite India). Asite India provides development and maintenance services to the Asite platform. Save for loan finance provided by R20 Limited of which Mr Robert Tchenguiz is a director, Asite has no borrowings, accordingly interest rate risk, in this regard is minimal. The Group's policies for mitigating these risks are outlined in Note 17 to the financial statements.

Policy on payment of suppliers
The Group does not have a policy to follow any code or standard on payment practice. However, the Group will continue to settle the terms of payment with its suppliers and when agreeing the terms of each transaction, will ensure that those suppliers are aware of the terms of payment and will abide by those terms of payment, unless subsequently renegotiated. Group trade payables outstanding at 30 June 2015 represented 23 days (2014: 18 days) trade purchases. Company trade payables outstanding at 30 June 2015 represented 129 days (2014: 0 days) trade purchases. This is calculated as the weighted average trade creditors as at the year end.

Research and development
The Company undertakes research and development in the field of collaborative Supply Chain Management (cSCM) Software.

Auditors' right to information
Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

Auditors
Milsted Langdon LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The directors have not prepared a strategic report in accordance with the small companies exemption in the Companies Act 2006 s419(2).

Approved by the Board of Directors
and signed on behalf of the Board

Mr Tony Ryan
Group Chief Executive Officer
17 February 2016

We have audited the financial statements of Asite Limited for the year ended 30 June 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Cash Flows and the related notes. 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.

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 Auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 June 2015 and of the Group's profit 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where 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.

Mr Nigel Fry (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Taunton

17 February 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Note	2015 £'000	2014 £'000
REVENUE	**3**	**5,289**	4,715
Cost of sales		**(1,137)**	(1,148)
Gross profit		**4,152**	3,567
Sales & distribution costs		**(540)**	(319)
Administrative expenses		**(2,855)**	(2,613)
OPERATING PROFIT		**757**	635
Financial income		**–**	3
Financial costs	**7**	**(67)**	(81)
PROFIT BEFORE TAXATION	**6**	**690**	557
Tax (credit) / charge	**8**	**35**	(182)
PROFIT FOR THE PERIOD		**725**	375
Attributable to:			
Equity shareholders		**725**	375
Non-controlling interest		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**725**	375

All transactions are derived from continuing operations.

The notes on pages 12 to 28 are an integral part of these consolidated financial statements.

EARNINGS PER SHARE

Basic	**10**	**3.41p**	1.76p
Diluted	**10**	**3.41p**	1.76p

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 July 2013	18,775	2,442	(21,698)	(481)
Total comprehensive income	–	–	375	375
At 30 June 2014	**18,775**	**2,442**	**(21,323)**	**(106)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Group				
At 1 July 2014	18,775	2,442	(21,323)	(106)
Total comprehensive income	–	–	725	725
At 30 June 2015	**18,775**	**2,442**	**(20,598)**	**619**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Company				
At 1 July 2013	18,775	2,442	(21,544)	(327)
Total comprehensive income	–	–	170	170
At 30 June 2014	**18,775**	**2,442**	**(21,374)**	**(157)**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Company				
At 1 July 2014	18,775	2,442	(21,374)	(157)
Total comprehensive loss	–	–	(60)	(60)
At 30 June 2015	**18,775**	**2,442**	**(21,434)**	**(217)**

The notes on pages 12 to 28 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

Company Number 02004015	Note	2015	2014
		£'000	**£'000**
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**11**	**301**	302
Intangible assets	**12**	**513**	8
Deferred tax asset	**8**	**17**	63
		831	373
CURRENT ASSETS			
Trade and other receivables	**14**	**2,197**	1,580
Cash and cash equivalents		**516**	1,228
		2,713	2,808
TOTAL ASSETS		**3,544**	3,181
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	**18**	**18,775**	18,775
Share premium account		**2,442**	2,442
Profit and loss account		**(20,598)**	(21,323)
EQUITY SHAREHOLDERS' FUNDS / (DEFICIT)		**619**	(106)
Non-controlling interest		**–**	–
TOTAL EQUITY		**619**	(106)
CURRENT LIABILITIES			
Trade and other payables	**15**	**1,475**	1,395
Borrowings	**16**	**240**	240
		1,715	1,635
NON-CURRENT LIABILITIES			
Borrowings	**16**	**1,210**	1,652
TOTAL LIABILITIES		**2,925**	3,287
TOTAL EQUITY AND LIABILITIES		**3,544**	3,181

The notes on pages 12 to 28 are an integral part of these consolidated financial statements.

The financial statements on pages 7 to 28 were approved by the Board of Directors on 17 February 2016 and signed on its behalf by:

Mr Tony Ryan
Group Chief Executive Officer

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

Company Number 02004015	Note	2015	2014
		£'000	**£'000**
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	**13**	**65**	65
Loan to subsidiary		**905**	1,326
Deferred tax asset	**8**	**30**	80
		1,000	1,471
CURRENT ASSETS			
Trade and other receivables	**14**	**265**	268
Cash and cash equivalents		**13**	25
		278	293
TOTAL ASSETS		**1,278**	1,764
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Called up share capital	**18**	**18,775**	18,775
Share premium account		**2,442**	2,442
Profit and loss account		**(21,434)**	(21,374)
EQUITY SHAREHOLDERS' DEFICIT		**(217)**	(157)
CURRENT LIABILITIES			
Trade and other payables	**15**	**45**	29
Borrowings	**16**	**240**	240
		285	269
NON-CURRENT LIABILITIES			
Borrowings	**16**	**1,210**	1,652
TOTAL LIABILITIES		**1,495**	1,921
TOTAL EQUITY AND LIABILITIES		**1,278**	1,764

The notes on pages 12 to 28 are an integral part of these consolidated financial statements.

The financial statements on pages 7 to 28 were approved by the Board of Directors on 17 February 2016.
and signed on its behalf by:

Mr Tony Ryan
Group Chief Executive Officer

STATEMENTS OF CASH FLOWS

for the year ended 30 June 2015

CONSOLIDATED STATEMENT OF CASH FLOW	Note	2015 £'000	2014 £'000
Net cash generated by operating activities	20	437	770
Taxation			
Tax Paid		(23)	(31)
Net cash from operating activities		414	739
Cash flows from investing activities			
Purchase of property, plant and equipment		(99)	(81)
Purchase of intangible assets		(518)	–
Net cash used in investing activities		(617)	(81)
Cash flows from financing activities			
Repayment of borrowings		(442)	(240)
Interest paid on borrowings		(67)	(81)
Interest received on deposits		–	3
Net cash used in financing activities		(509)	(318)
Net (decrease) / increase in cash and cash equivalents		(712)	340
Cash and cash equivalents at beginning of period		1,228	888
Cash and cash equivalents at end of period		516	1,228

COMPANY STATEMENT OF CASH FLOWS	Note	2015 £'000	2014 £'000
Net cash generated by operating activities	20	10	85
Cash flows from financing activities			
Repayment of borrowings		(442)	(240)
Interest received		67	87
Repayments of loans made		420	72
Interest paid on borrowings		(67)	(81)
Net cash used in financing activities		(22)	(162)
Net decrease in cash and cash equivalents		(12)	(77)
Cash and cash equivalents at beginning of period		25	102
Cash and cash equivalents at end of period		13	25

The notes on pages 12 to 28 are an integral part of these consolidated financial statements.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial information presented in this statement has been prepared in accordance with applicable International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

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

The directors do not consider there are any critical judgements or key sources of estimation uncertainty made in the process of applying the entity's accounting policies and the amounts recognised in the financial statements.

The presentational currency used in this report is Pound Sterling (£).

Standards and Interpretations effective in the current period

There were no new standards or interpretations that have been adopted by the Group in the current period.

There were no new interpretations and amendments to existing standards that have been issued but are not yet effective that will have a material impact on the financial statements and have not been early adopted by the Group.

2. ACCOUNTING POLICIES

(a) Consolidation

The consolidated financial statements include financial information in respect of the Company and its subsidiary undertakings. Subsidiary undertakings are those entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group. From the date on which control ceases they are no longer consolidated. Intra group transactions and balances are eliminated on consolidation.

(b) Foreign currency translation

Items included in the separate financial statements of the Group entities are measured in the functional currency of each entity. Transactions denominated in foreign currencies are translated into the functional currency of the Group at the rates prevailing at the dates of the individual transactions. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the Statement of Financial Position date. Exchange gains and losses arising are charged or credited to net operating costs or foreign exchange in administrative expenses in the Income Statement, as appropriate. The Income Statement and Statement of Financial Position of foreign entities are translated into Pounds Sterling on consolidation at the average rates for the period and the rates prevailing at the Statement of Financial Position date respectively. The resulting exchange gains or losses are dealt with in shareholders' funds.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provisions for impairment. Depreciation is calculated using the straight line basis and charged to administrative expense. All assets are depreciated at rates calculated to write off the cost, less estimated residual value, over the expected useful lives of three to fifteen years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Income Statement.

(d) Intangible assets

Research and development expenditure

Research expenditure is written off as an expense in the period in which it is incurred. Development expenditure is written off as incurred unless it meets the recognition criteria of an intangible asset, as defined by International Accounting Standard 38 (Intangible Assets) ("IAS 38"), in which case it would be recognised as an asset of the Group. Capitalised development expenditure is amortised to administrative expenses on a straight line basis over the useful economic life once the related product or enhancement is available for use.

Computer software

Computer software is stated at cost, net of amortisation and any provisions for impairment. Amortisation is calculated using the straight line basis. All assets are amortised to administrative expenses at rates calculated to write off the cost, less estimated residual value, over an expected useful life of three years.

The intangible assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Income Statement.

2. ACCOUNTING POLICIES (continued)

(e) Trade receivables

Trade receivables are initially stated at fair value and subsequently at amortised cost less any provisions for impairment. Trade receivables are assessed individually for impairment. Movements in the provision for doubtful trade receivables are recorded in the Income Statement in administrative expenses.

(f) Cash and cash equivalents

Cash and cash equivalents for the purposes of the Statements of Cash Flows include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the Statement of Financial Position.

(g) Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost.

(h) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Fair value is determined as the present value of the loan at market interest rates (determined by the directors as an estimate of a rate that would be commercially available to the Company). Any difference between the fair value at initial recognition (net of transaction costs) and the consideration received is initially recognised in the Income Statement as 'Fair Value adjustments arising on loan from shareholder'. Borrowings are subsequently stated at amortised cost increased by imputed interest charged to financial costs over the period of the borrowings using the effective interest method. The Group's current loan is from a principal shareholder and the initial credit is taken to financial liabilities as opposed to equity as it is expected that the loan will be repaid in full.

(i) Current and deferred income tax

Current income tax is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantially enacted by the Statement of Financial Position date. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is provided using rates of tax that are consistent with the rates in which the entity's management expects, at the Statement of Financial Position date, to recover or settle the carrying amount of assets and liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against any unused taxable losses taking into account any temporary differences that can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the directors consider that it is less likely than not that the difference will reverse in the near future.

(j) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2. ACCOUNTING POLICIES (continued)

(k) Revenue recognition

The Group typically enters into multi-element arrangements which include software licence fees, consultancy and training services. Revenue is allocated to the elements of the arrangement based upon the fair value of each element.

The Group sells a licence for access to its products which are hosted from the Group's dedicated servers. The licence fees grant access to web space for the duration of the customer's project and include maintenance and support. The revenue for the licence is recognised on an accruals basis to match the period of use by the customer until the end of the contract. The unrecognised element is included within 'deferred income' and the amount recognised prior to billing is included within 'amounts recoverable on contracts'.

Training revenue relates to customer training to use the product. Consultancy revenue relates to the initial tailoring of the product to match the needs of the project and on-going consultancy work provided to the customer post implementation. Revenue is recognised on the consulting and training fees based on fixed daily rates as the service is provided. The fixed daily rates are predetermined at the contract signing date.

(l) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to the Income Statement on a straight line basis over the period of the lease.

(m) Investments

Investments held as non-current assets by the Company are stated at cost less any permanent diminution in value.

(n) Employee benefits

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options and shares is recognised as an expense. The fair value of options is estimated using a Black-Scholes pricing model. The total amount to be expensed over the vesting period is determined by the fair value of the options and shares granted, excluding the impact of any non-market vesting conditions (for example, earnings per share growth). Non-market vesting conditions are included in assumptions about the number of options and shares that are expected to become exercisable. At each Statement of Financial Position date, the Group revises its estimates of the number of options and shares that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the Income Statement. At the vesting date of an award, the cumulative expense is adjusted to take account of the awards that actually vest. The Group grants share options to employees of subsidiary companies.

(o) Pensions

The pension costs charged in the financial statements represent the contribution payable to the company during the year.

3. SEGMENTAL ANALYSIS

The primary segment is by business as this is the main driver of risks and return. The directors consider there to be one business segment because all turnover results from the provision of business to business solutions to the construction industry. All sales therefore arise from the rendering of services.

The secondary segments which are geographical are United Kingdom (UK), Middle East, Europe, India, North America, Australasia and Rest of World (ROW). Information regarding these segments is reported below.

Analysis of results by geographical region

	Revenues		Non-current assets	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
UK	**4,123**	3,729	**276**	72
Middle East	**16**	28	**–**	–
Europe	**155**	160	**–**	–
India	**78**	19	**538**	238
North America	**377**	218	**–**	–
Australasia	**519**	536	**–**	–
ROW	**21**	25	**–**	–
Total	**5,289**	4,715	**814**	310
Deferred tax asset			**17**	63
Total non-current assets			**831**	373

Revenues from one (2014: one) customer of the group represent approximately £1.385m (2014: £1.360m) of the group's total revenues.

4. STAFF COSTS

	2015	**2014**
	£'000	**£'000**
Staff costs during the period (including directors)		
Wages and salaries	**2,729**	2,141
Social security costs	**155**	135
Staff pensions (defined contribution)	**10**	6
	2,894	2,282

	No.	**No.**
The average monthly number of employees (including executive directors) was:		
Professional services	**9**	7
Sales and account managers	**7**	2
Technical	**155**	121
Finance & administrative	**10**	9
	181	139

5. DIRECTORS' REMUNERATION

	2015 £'000	2014 £'000
Aggregate emoluments (including benefits in kind)	**549**	597
	549	597

The highest paid director was paid £0.301m in salary during the period (2014: £0.327m).
No directors (2014: Nil) are accruing retirement benefits.

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2015 £'000	2014 £'000
Staff costs (note 4)	**2,894**	2,282
Rent of premises	**97**	70
Net exchange difference gains	**8**	11
Research and development costs included in staff costs above	**532**	784
Depreciation of property, plant and equipment included in administrative expense (note 11)	**100**	50
Amortisation of intangible asset included in administrative expense (note 12)	**12**	8

	2015 £'000	2014 £'000
During the period the Group obtained the following services from the Group's auditor as detailed below:		
Fees payable to the Company's auditor for the audit of the parent Company and consolidated Financial statements	**8**	8
The audit of financial statements of subsidiaries pursuant to legislation	**8**	8
Tax services	**14**	1
	30	17

7. FINANCIAL COSTS

	2015 £'000	2014 £'000
Interest payable	**67**	81
	67	81

The interest payable represents the annual charge of 4% on the loan from R20 Limited. (see note 16). Interest became payable on the loan on 1 June 2013.

8. INCOME TAX & DEFERRED TAX

	2015 £'000	2014 £'000
Current tax		
Current tax on profits for the year	**27**	27
Research and development tax credit	**(108)**	(100)
Research and development tax credit relating to previous year	**–**	(104)
Deferred tax		
Unwinding of deferred tax asset	**–**	435
Deferred tax asset recognised	**–**	(80)
Movement in deferred tax liability	**46**	4
	(35)	182

The differences from the standard charge are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	**690**	557
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.75% (2014: 22.50%)	**143**	125
Effects of:		
Expenses not deductible for tax purposes	**10**	16
Tax calculated at domestic rates in India	**3**	10
Research and development uplift	**(131)**	(459)
Development expenditure capitalised	**(99)**	–
Research and development cash surrender	**155**	410
Research and development tax credit	**(108)**	(204)
Tax losses utilised / unprovided / reversed	**50**	375
Tax losses relieved / (carried forward)	**2**	(19)
Depreciation in excess of capital allowances	**(60)**	(72)
Tax charge	**(35)**	182

8. INCOME TAX & DEFERRED TAX (continued)

Deferred tax asset

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2014: 20%).

The movement on the deferred tax account is as shown below:

	Opening balance £'000	Movement £'000	Closing balance £'000
Accelerated capital allowances	442	(173)	**269**
Tax losses	4,446	(103)	**4,343**
At 30 June 2014	4,888	(276)	**4,612**
Accelerated capital allowances	269	(54)	**215**
Tax losses	4,343	2	**4,345**
At 30 June 2015	4,612	(52)	**4,560**

Deferred tax asset split:

	Asite Solutions Limited £'000	Asite Solutions Private Limited £'000	Asite Limited £'000	Total £'000
Accelerated capital allowances	` 215	(3)	3	**215**
Losses	2,680	–	1,665	**4,345**
	2,895	(3)	1,668	**4,560**

Deferred tax asset split:

A deferred tax asset has been recognised for an element of the available losses and capital allowances in Asite Limited because recovery is considered reasonably certain. A deferred tax asset has not been recognised in respect of the remaining available losses and capital allowances of Asite Limited (the Company) or that of Asite Solutions Limited because recovery is not considered reasonably certain.

Deferred tax asset recognised:

	2015 £'000	2014 £'000
Deferred tax asset to be recovered after more than 12 months	**30**	80
Deferred tax asset to be paid after more than 12 months	**(13)**	(17)
	17	63

9. PROFITS OF THE PARENT COMPANY FOR THE FINANCIAL YEAR

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included an Income Statement in these financial statements. In the year the Company made a loss/(profit) of £0.060m (2014: (£0.170m)).

10. EARNINGS PER SHARE

	2015	2014
Basic		
Net profit for the period (£'000)	**725**	375
Weighted average number of ordinary shares outstanding	**21,249,564**	21,249,564
Profit per share:	**3.41p**	1.76p
Diluted		
Net profit for the period (£'000)	**725**	375
Weighted average number of ordinary shares outstanding	**21,249,564**	21,249,564
Profit per share:	**3.41p**	1.76p

Earnings per share is calculated by dividing the net profit for the period, adjusted for non-controlling interest, by the weighted average number of Ordinary Shares outstanding during the period.

Earnings per share requires presentation of diluted profit per share when a company could be called upon to issue shares that would decrease net profit or increase net loss per share.

11. PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Group			
Cost			
At 1 July 2014	262	161	423
Additions	38	61	99
Disposals	(12)	–	(12)
At 30 June 2015	**288**	**222**	**510**
Accumulated depreciation			
At 1 July 2014	100	21	121
Charge for the year	78	22	100
Eliminated on disposal	(12)	–	(12)
At 30 June 2015	**166**	**43**	**209**
Net book value			
At 30 June 2015	**122**	**179**	**301**
At 30 June 2014	**162**	**140**	**302**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 July 2013	184	158	342
Additions	78	3	81
Disposals	–	–	–
At 30 June 2014	**262**	**161**	**423**
Accumulated depreciation			
At 1 July 2013	62	9	71
Charge for the year	38	12	50
Eliminated on disposal	–	–	–
At 30 June 2014	**100**	**21**	**121**
Net book value			
At 30 June 2014	**286**	**140**	**302**
At 30 June 2013	**250**	**149**	**271**

12. INTANGIBLE ASSETS

Group	Website £'000	Development costs £'000	Total £'000
Cost			
At 1 July 2014	24	–	24
Additions	40	478	518
At 30 June 2015	**64**	**478**	**542**
Accumulated amortisation			
At 1 July 2014	16	–	16
Charge for the year	13	–	13
At 30 June 2015	**29**	**–**	**29**
Net book value			
At 30 June 2015	35	478	**513**
At 30 June 2014	**8**	**–**	**8**

Group	Website £'000	Development costs £'000	Total £'000
Cost			
At 1 July 2013	24	–	24
Additions	–	–	–
At 30 June 2014	**24**	**–**	**24**
Accumulated amortisation			
At 1 July 2013	8	–	8
Charge for the year	8	–	8
At 30 June 2014	**16**	**–**	**16**
Net book value			
At 30 June 2014	8	–	**8**
At 30 June 2013	**16**	**–**	**16**

In line with the group's accounting policy this year the group has capitalised £478k of development costs in relation to new products. The Company has no tangible or intangible fixed assets (2014: Nil).

13. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company	2015 £'000	2014 £'000
Cost and net book value		
At 1 July 2014, 30 June 2014 and 30 June 2015	**65**	65

The principal subsidiary undertakings of the Company during the year were:

Subsidiaries	Proportion of voting rights	Principal activities
Asite Solutions Limited (Incorporated 20 July 2000)	99.44%	Web based portal and services
Asite Solutions Private Limited (Incorporated 7 November 2005)	99.70%	Web based portal and services

Asite Solutions Limited was incorporated in England and Wales. Asite Solutions Private Limited was incorporated in India and is owned by Asite Solutions Limited.

14. TRADE & OTHER RECEIVABLES

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Amounts falling due within one year:				
Trade receivables	**1,581**	1,182	**–**	–
Provision for doubtbul debt	**(5)**	–	**–**	–
Net trade receivables	**1,576**	1,182	**–**	–
Amounts due from subsidiary	**–**	–	**240**	240
Prepayments and accrued income	**167**	161	**–**	3
Other receivables	**454**	237	**25**	25
	2,197	1,580	**265**	268

Trade receivables that are less than three months past due are not considered impaired. As of 30 June 2015, trade receivables of £0.116m (2014: £0.161m) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2015 £'000	2014 £'000
Up to 6 months	**71**	145
Over 6 months	**45**	16
	116	161

As of 30 June 2015, trade receivables of £0.005m (2014: £Nil) were impaired and provided for. The amount of the provision was £0.005m as of 30 June 2015 (2014: £Nil).

14. TRADE & OTHER RECEIVABLES (continued)

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2015 £'000	2014 £'000
Sterling	**1,523**	1,080
Euro	**27**	34
Australian dollar	**5**	54
US dollar	**9**	1
Emirati dirham	**5**	4
Indian rupee	**10**	9
South African rand	**2**	–
	1,581	1,182

15. TRADE & OTHER PAYABLES

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Deferred income	**610**	626	**–**	–
Trade payables	**179**	91	**20**	–
Other payables	**136**	80	**–**	–
Social security and other taxes	**40**	35	**–**	–
VAT payable	**160**	148	**–**	–
Accruals	**350**	415	**25**	29
	1,475	1,395	**45**	29

16. BORROWINGS

	2015		2014	
	Redemption value £'000	Carrying value £'000	Redemption value £'000	Carrying value £'000
Short term financial liabilities	**240**	**240**	240	240
Long term financial liabilities	**1,210**	**1,210**	1,652	1,652
	1,450	**1,450**	1,892	1,892

The loan is from R20 Limited and has been drawn down against the Company's loan facility agreement. The amounts drawn down against the facility were interest free until 31 May 2013, but now carry a charge of 4% per annum. The loan is to be repaid in full by 2 April 2018. There is a fixed charge held over the intellectual property assets of the Group.

17. FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash balances, a loan facility and various items such as trade debtors and trade creditors that arise from the normal course of business. There were no other financial assets other than trade receivables.

At the year end the Group held Sterling cash balances of £0.288m (2014: £1.055m) and foreign currency cash balances of £0.228m (2014: £0.173m) held in Indian Rupees. At the year end the Group had no bank borrowings. The Group held trade receivables balances of £1.576m (2014: £1.182m) as at the year end.

Risk management
The Board is charged with managing the various risk exposures.

Interest rate risk
Loans advanced to the Group by R20 Limited were interest free for the minimum term, being until 31 May 2013. Thereafter interest has been charged at the rate of 4% per annum. The Group does not envisage hedging against this risk. Accordingly the Group believes that the interest rate risk to which the Group is exposed is minimal.

Credit risk
The Group believes that its maximum credit risk at any one time is represented by the value of its trade receivables. In relation to credit risk to financial institutions, the Group does have significant cash deposits, however the Board believes this risk to be minimal. The Group manages customer credit risk through the use of credit reports and appropriate contractual documentation. Collections are tracked monthly and where payments are overdue appropriate action is taken on a timely basis.

Liquidity risk
The Group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements and to invest funds securely and profitably. The Group's total financial liabilities and their fair values as at 30 June 2015 are detailed below. There is no difference between the book and fair value for short term receivables and payables.

	30 June 2015		**30 June 2014**	
	Redemption value £'000	**Carrying value £'000**	**Redemption value £'000**	**Carrying value £'000**
Financing the Group's acquisitions:				
Short term financial liabilities	**240**	**240**	240	240
Long term financial liabilities	**1,210**	**1,210**	1,652	1,652
	1,450	**1,450**	1,892	1,892

The loan is from R20 Limited and has been drawn down against the Company's loan facility agreement.

Foreign currency risk
The Group's revenue is substantially sterling based, accordingly, foreign currency exposure risk to this is minimal. Costs incurred in the Group's operations in India are rupee based. Currency exposures arising from holding cash deposits in Indian Rupees are not considered to be material. The Group does not hedge against these currency risks. The value of assets held in the Group's Indian subsidiary is minimal, as are this company's reserves. Accordingly the Board believes that the currency exposure on translation is minimal.

17. FINANCIAL INSTRUMENTS (continued)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including "current and non-current borrowings" less cash and cash equivalents. Total capital is calculated as "equity" as shown in the Consolidated Statement of Financial Position plus net debt.

	2015 £'000	2014 £'000
Total borrowings (note 16)	**1,450**	1,892
Cash and cash equivalents	**(516)**	(1,228)
Total equity	**619**	(106)
Total capital	**1,553**	558
Gearing ratio	**60%**	119%

18. CALLED UP SHARE CAPITAL

	2015		2014	
Allotted, issued and fully paid	**No.**	**£'000**	**No.**	**£'000**
New Ordinary Shares of 1p each	**10,291,063**	**103**	10,291,063	103
New B Shares of 1p each	**10,958,501**	**110**	10,958,501	110
Deferred Shares of 99p each	**18,749,564**	**18,562**	18,749,564	18,562
Total allotted, issued and fully paid	**39,999,128**	**18,775**	39,999,128	18,775

The Company's authorised share capital is £42.500m comprised of New Ordinary Shares of 1p each, New B Shares of 1p each and Deferred Shares of 99p each.

New B Shares do not have voting rights. New B Shares have the same rights as the New Ordinary Shares with respect to dividend entitlement and priority to receive funds on winding up of the Company.

The Deferred Shares have no voting or attendance rights. Deferred Shares have no right to receive dividends. On a return of capital or winding up of the Company, each Deferred Share is entitled to its par value after each New Ordinary Share and New B Share has received repayment of capital plus £1.000m.

19. SHARE OPTION SCHEME

Under the Group's Enterprise Management Incentive scheme (EMI), share options are granted to executive directors and selected employees. Exercise price of the granted options is 1p per share. Options are exercisable on disposal or flotation of the Company. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

At 30 June 2015 options granted under the Company's share option schemes were outstanding on a total of 12,420,711 Ordinary Shares as follows:

Grant date	Number of shares under option	Exercise price	Exercise period
March 2011	12,420,711	1p	March 2021

The options can be exercised on disposal or flotation of the Company and have a ten year option exercise period from the grant date.

In line with IFRS 2 and for the purposes of estimating the charge for share based payments, options are valued using the Black-Scholes model.

The movement in share awards during the year ended 30 June 2015 is as follows:

	2015 Number of shares under option	2015 Weighted average exercise price	2014 Number of shares under option	2014 Weighted average exercise price
Outstanding as at 1 July	12,420,711	1p	12,570,711	1p
Granted during the year	–	–	–	–
Exercised during the year	–	–	–	–
Forfeited during the year	–	–	(150,000)	1p
Expired during the year	–	–	–	–
Outstanding as at 30 June	12,420,711	1p	12,420,711	1p

The following table summarises information about share awards outstanding as at 30 June 2015:

Exercise Price	2015 Number	2015 Weighted average remaining contractual life	2014 Number	2014 Weighted average remaining contractual life
1p	**12,420,711**	**5.75 years**	**12,420,711**	**6.75 years**

The fair value of the share based payment expense was £Nil (2014: £Nil). The following assumptions were used in valuing the 2011 share options awarded under the Black-Scholes option-pricing model:

- Share price at grant of £0.01
- Exercise price, under the option contracts of £0.01 per share
- 10 year option exercise period
- An expected share price volatility of 70% based on the average volatility of the FTSE techMARK listed companies and the likelihood of a diposal of the Company in the next ten years
- An expected dividend yield of £Nil
- A risk free interest rate of 4.5% based on the implied yield on zero coupon government bonds

In calculating the fair value of these options no other market related performance conditions have been used.

20. RECONCILIATION OF NET PROFIT / (LOSS) TO NET CASH INFLOW / (OUTFLOW)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	£'000	**£'000**	**£'000**	**£'000**
Net profit / (loss) before tax	**690**	557	**(9)**	90
Depreciation of tangible and intangible assets	**113**	58	**–**	–
Interest paid on borrowings	**67**	81	**67**	81
Interest received	**–**	(3)	**–**	–
Interest recharged	**–**	–	**(67)**	(87)
(Increase) / decrease in debtors	**(513)**	(213)	**4**	1
Increase in creditors	**80**	290	**15**	–
Net cash generated by operating activities	**437**	770	**10**	85

21. PENSION SCHEMES

Defined contribution pension scheme

The group operated a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £0.010m (2014: £0.006m).

Contributions totalling £Nil (2014: £Nil) were payable to the scheme at the end of the year and are included in creditors.

22. OBLIGATIONS UNDER OPERATING LEASES AND COMMITTED EXPENDITURE

	2015	**2014**
	£'000	**£'000**
The total future minimum lease payments under non-cancellable operating leases fall due in the following periods:		
Rent on premises:		
Within 1 year	**102**	65
In the 2nd to 5th years	**93**	149
Over 5 years	**–**	71
	195	285

23. CONTINGENT LIABILITIES

The Group and Company do not have any contingent liabilities (2014: £Nil).

24. RELATED PARTY TRANSACTIONS

Key management members are also directors of the Group and their remuneration is disclosed in Note 5.

Funding was available to the Company throughout the year through a loan facility provided by R20 Limited. The balance of the loan outstanding at the year end was £1.450m (2014: £1.892m). Interest of £0.067m at market rate was charged in the year (2014: £0.081m). Mr Robert Tchenguiz is a director of this company.

Mr Gordon Ashworth and Mr Walter Goldsmith (non-executive directors), each owed the company £0.013m at the end of the current year (2014: £0.013m).

Mr Robert Tchenguiz's holding of shares is comprised of 2,660,700 Ordinary Shares and 8,458,501 B Ordinary Shares held indirectly through B&C Plaza Limited, Rotch Property Group Limited and R20 Limited. There has been no change in his holding during the year ended 30 June 2015.

Asite Solutions Limited provided software development services to Nativ Limited. Revenue generated during the period under review totalled £0.632m (2014: £0.492m) with £0.148m (2014: £0.194m) outstanding at the end of the period. Mr Gordon Ashworth was a director of this company during the year.

Asite Solutions Limited provided services to SaaS North America Inc. (SNA). Revenue generated from SNA totalled £0.016m (2014: £0.010m) with £0.002m (2014: £0.001m) outstanding at the end of the year. SNA provided services to Asite Solutions Limited during the year costing £0.248m (2014: £0.106m) with £Nil (2014: £Nil) owing at the end of the year. Asite Solutions Limited also provided SNA with contributions to rental deposits totalling £0.036m (2014: £Nil) included within other receivables. Mr Tony Ryan and Mr Nathan Doughty are directors and shareholders of SNA.

Asite Solutions Limited provided services to SaaS Africa Cloud Computing (Pty) Ltd (SAC). Revenue generated from SAC totalled £0.002m (2014: £Nil) with £0.002m (2014: £Nil) outstanding at the end of the year. SAC provided services to Asite Solutions Limited during the period costing £0.058m (2014: £Nil) with £Nil (2014: £Nil) owing at the end of the year. Mr Tony Ryan and Mr Nathan Doughty are shareholders of SAC.

During the year the Company provided services to Mr Robert Tchenguiz. Revenue generated totalled £0.004m (2014: £0.004m) with £0.004m (2014: £0.004m) outstanding at the end of the year.

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Tchenguiz Discretionary Trust.

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