Asite Limited

Annual Report and Consolidated Financial Statements
For the year ended 30 June 2017
Registered number 02004015

Contents

Company Information

Chairman	Walter Goldsmith
Chief Executive	Tony Ryan
Directors	Walter Goldsmith Robert Tchenguiz Nathan Doughty Tony Ryan Timothy Smalley
Company Secretary	Tony Pickworth
Registered office	G.02 Albert House Old Street London EC1V 9DD United Kingdom
Auditors	KPMG LLP Botanic House 100 Hills Road Cambridge CB2 1AR United Kingdom

Strategic Report

The directors present their strategic report for the year ended 30 June 2017.

Fair review of the business

I am pleased to report that the Group has continued its growth and global footprint over the past 12 months. For the four quarters ended 30 June 2017 revenue increased by 18% to £7,149,764 (2016 - £6,046,697). We have invested in our personnel across all regions for our future growth plans, which is reflected in the decrease in operating profit for the period decreased by 26% to £733,370 (2016 - £992,695).

Through these investments we now have operations starting from the east in Sydney, India, Dubai, Johannesburg, London and New York.

We are very excited about the latest release of our platform Adoddle: The New Dawn. This will change how the industry will think about collaboration and management of data.

We will 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 continued to invest in new offices, namely Hong Kong, 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.

Approved by the Board on 24th April 2018 and signed on its behalf by:

Mr Tony Ryan
Chief executive

Directors' Report

The directors present their report and the consolidated financial statements for the year ended 30 June 2017.

Directors of the Group

The directors who held office during the year were as follows:

Mr Walter Goldsmith - Chairman

Mr Robert Tchenguiz

Mr Nathan Doughty -
Mr Tony Pickworth – Company secretary

Mr Tony Ryan - Chief executive

Mr Timothy Smalley

Principal activity

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.

Financial instruments

Objectives and policies

The Group is exposed to price risk, credit risk, liquidity risk and cash flow risk. The directors review risk management strategies regularly.

Price risk, credit risk, liquidity risk and cash flow risk

Price
The Group has minimal exposure to price risk as all prices are pre-set by management.

Credit
The Group is exposed to credit risk and management ensure credit checks are completed on all new customers and chase debts on a regular basis once they become overdue.

Liquidity
The Group's exposure to liquidity risk is minimal as the Group has adequate net current assets.

Cashflow
The Group is exposed to cash flow risk as a result of the timing between paying suppliers and the receipt of money from customers and management manage this through regular review.

Foreign currency
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 Limited has no borrowings, accordingly interest rate risk, in this regard is minimal. The Group’s policies for mitigating these risks are outlined in the notes to the financial statements.

Research and development

The Group continues to invest in research and development in the field of collaborative Supply Chain Management (cSCM) Software. Research and development costs incurred during the year to 30 June 2017 totalled £634,858 (2016 - £732,700), of which £634,858 (2016 - £732,700) of development costs were capitalised. The directors regard investment in this area as a prerequisite for success in the medium to long term future.

Creditor payment policy

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 2017 represented 29 days (2016 - 28 days) trade purchases. Company trade payables outstanding at 30 June 2017 represented 51 days (2016 - 53 days) trade purchases. This is calculated as the weighted average trade creditors at 30 June 2017.

Going concern

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the financial statements continue to adopt the going concern basis.

Important non adjusting events after the financial period

Asite has continued to invest into its R&D and with the March 2018 launch of the Group’s latest technology stack Adoddle: The New Dawn the additional functionality will change how the industry will think about collaboration and management of data.

Directors liabilities

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.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 24th April 2018 and signed on its behalf by:

Mr Tony Ryan
Chief executive

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASITE LIMITED

Opinion

We have audited the financial statements of Asite Limited ("the company") for the year ended 30 June 2017 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and company statement of cash flows and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2017 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Bartlett-Rawlings (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR
United Kingdom

2 May 2018

Consolidated Income Statement
for the year ended 30 June 2017

	Note	**2017**	2016
		£	£
Revenue	3	**7,149,764**	6,046,697
Cost of sales		**(1,599,308)**	(798,116)
Gross profit		**5,550,456**	5,248,581
Distribution costs		**(785,379)**	(671,856)
Administrative expenses		**(4,011,315)**	(3,581,311)
Other losses	4	**(20,392)**	(2,719)
Operating profit		**733,370**	992,695
Finance costs		**(81,574)**	(84,654)
Profit before taxation		**651,796**	908,041
Income Tax	10	**53,859**	48,656
Profit for the year		**705,655**	956,697
Profit for the year			
Attributable to owners of the company		**705,655**	956,697

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

The notes on pages 17 to 37 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2017

	2017	2016
	£	£
Profit for the year	**705,655**	956,697
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation gains/(losses)	**20,355**	36,302
Total comprehensive income for the year	**726,010**	992,999
Total comprehensive income attributable to:		
Owners of the company	**726,010**	992,999

The notes on pages 17 to 37 form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 June 2017

	Note	2017	2016
		£	£
Assets			
Non-current assets			
Property, plant and equipment	11	**254,477**	280,952
Intangible assets	12	**1,559,399**	1,179,695
Deferred tax assets	10	**168,114**	30,000
Investments		**13,985**	13,985
		1,995,975	1,504,632
Current assets			
Trade and other receivables	15	**2,499,914**	2,185,251
Income tax asset	15	**142,365**	227,531
Cash and cash equivalents	16	**908,609**	494,991
		3,550,888	2,907,773
Total assets		**5,546,863**	4,412,405
Equity and liabilities			
Equity			
Share capital	17	**(18,774,564)**	(18,774,564)
Share premium		**(2,441,592)**	(2,441,592)
Retained earnings		**18,878,505**	19,604,515
Equity attributable to owners of the company		**(2,337,651)**	(1,611,641)
Non-current liabilities			
Loans and borrowings	18	**(730,000)**	(970,000)
Deferred tax liabilities	10	**(14,835)**	(11,476)
		(744,835)	(981,476)
Current liabilities			
Trade and other payables	22	**(1,265,024)**	(911,128)
Loans and borrowings	18	**(243,018)**	(240,000)
Deferred income		**(956,335)**	(668,160)
		(2,464,377)	(1,819,288)
Total liabilities		**(3,209,212)**	(2,800,764)
Total equity and liabilities		**5,546,863**	(4,412,405)

The notes on pages 17 to 37 form part of these financial statements.

Approved by the Board on 24th April 2018 and signed on its behalf by:

Tony Ryan
Chief Executive

Company registered number: 02004015

Company Statement of Financial Position

as at 30 June 2017

	Note	**2017**	2016
		£	£
Assets			
Non-current assets			
Investments in subsidiaries, joint ventures and associates	13	**65,094**	65,094
Other non-current financial assets	14	**597,994**	694,088
Deferred tax assets	10	**1,507**	30,000
		664,595	789,182
Current assets			
Trade and other receivables	15	**-**	252,435
Cash and cash equivalents	16	**3,215**	159
		3,215	252,594
Total assets		**667,810**	1,041,776
Equity and liabilities			
Equity			
Share capital	17	**(18,774,564)**	(18,774,564)
Share premium		**(2,441,592)**	(2,441,592)
Retained earnings		**21,523,498**	21,426,097
Total equity		**307,342**	209,941
Non-current liabilities			
Loans and borrowings	18	**(730,000)**	(970,000)
Current liabilities			
Trade and other payables	22	**(5,152)**	(41,717)
Loans and borrowings	18	**(240,000)**	(240,000)
		(245,152)	(281,717)
Total liabilities		**(975,152)**	(1,251,717)
Total equity and liabilities		**(667,810)**	(1,041,776)

The notes on pages 17 to 37 form part of these financial statements.

Approved by the Board on 24th April 2018 and signed on its behalf by:

Tony Ryan
Chief Executive
Company registered number: 02004015

Consolidated Statement of Changes in Equity

for the year ended 30 June 2017

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 July 2016	18,774,564	2,441,592	(19,604,515)	1,611,641
Profit for the year	-	-	705,655	705,655
Other comprehensive income	-	-	20,355	20,355
Total comprehensive income	-	-	726,010	726,010
At 30 June 2017	18,774,564	2,441,592	(18,878,505)	2,337,651

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 July 2015	18,774,564	2,441,592	(20,597,514)	618,642
Profit for the year	-	-	956,697	956,697
Other comprehensive income	-	-	36,302	36,302
Total comprehensive income	-	-	992,999	992,999
At 30 June 2016	18,774,564	2,441,592	(19,604,515)	1,611,641

The notes on pages 17 to 37 form part of these financial statements.

Company Statement of Changes in Equity

for the year ended 30 June 2017

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 July 2016	18,774,564	2,441,592	(21,426,097)	(209,941)
Profit for the year	-	-	(97,401)	(97,401)
Total comprehensive income	-	-	(97,401)	(97,401)
At 30 June 2017	18,774,564	2,441,592	(21,523,498)	(307,342)

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 July 2015	18,774,564	2,441,592	(21,433,303)	(217,147)
Profit for the year	-	-	7,206	7,206
Total comprehensive income	-	-	7,206	7,206
At 30 June 2016	18,774,564	2,441,592	(21,426,097)	(209,941)

The notes on pages 17 to 37 form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		**705,655**	956,697
Adjustments to cash flows for non-cash items			
Depreciation and amortisation	5	**338,797**	146,068
Loss on disposal of property, plant and equipment	4	**20,392**	2,719
Finance costs	6	**81,574**	84,654
Income tax expense	10	**(53,859)**	(48,656)
		1,092,559	1,141,482
Working capital adjustments			
Increase in trade and other receivables	15	**(314,663)**	(301,081)
Increase in trade and other payables	22	**353,896**	47,089
Increase in deferred income including government grants		**288,175**	57,806
Cash generated from operations		**1,419,967**	945,296
Income taxes received		**4,271**	131,421
Net cash flow from operating activities		**1,424,238**	1,076,717
Cash flows from investing activities			
Acquisitions of property, plant and equipment		**(77,562)**	(63,947)
Proceeds from sale of property, plant and equipment		**-**	-
Acquisition of intangible assets	12	**(634,857)**	(732,700)
Purchase of investment		**-**	(13,985)
Net cash flows from investing activities		**(712,419)**	(809,675)
Cash flows from financing activities			
Interest paid	6	**(51,826)**	(53,646)
Proceeds from other borrowing draw downs		**3,018**	(1)
Repayment of other borrowing		**(240,000)**	(240,000)
Foreign exchange (gains) / losses	6	**(29,748)**	(31,008)
Net cash flows from financing activities		**(318,556)**	(324,655)
Net increase/(decrease) in cash and cash equivalents		**393,263**	(57,613)
Cash and cash equivalents at 1 July		**494,991**	516,302
Effect of exchange rate fluctuations on cash held		**20,355**	36,302
Cash and cash equivalents at 30 June		**908,609**	494,991

The notes on pages 17 to 37 form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2017

	Note	2017	2016
		£	£
Cash flows from operating activities			
(Loss)/Profit for the year		**(97,401)**	7,206
Adjustments to cash flows for non-cash items			
Finance income	6	**(51,826)**	(53,646)
Finance costs	6	**51,826**	53,646
Income tax expense	10	**28,493**	-
		(68,908)	7,206
Working capital adjustments			
Decrease in trade and other receivables	15	**252,435**	12,565
Decrease in trade and other payables	22	**(36,565)**	(2,731)
Net cash flow from operating activities		**146,962**	17,040
Cash flows from investing activities			
Interest received	6	**51,826**	53,646
Cash flows from financing activities			
Interest paid	6	**(51,826)**	(53,646)
Proceeds from other borrowing draw downs		**96,094**	210,514
Repayment of other borrowing		**(240,000)**	(240,000)
Net cash flows from financing activities		**(195,732)**	(83,132)
Net decrease in cash and cash equivalents		**3,056**	(12,446)
Cash and cash equivalents at 1 July		**159**	12,605
Cash and cash equivalents at 30 June		**3,215**	159

The notes on pages 17 to 37 form part of these financial statements.

Notes to the financial statements

1. General information

The company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is: G.02 Albert House
Old Street
London
EC1V 9DD

The financial statements were authorised for issue by the Board on 24th April 2018.

2. Accounting policies

Statement of compliance
The Group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the EU ("adopted IFRS's").

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

In the application of these 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.

Basis of preparation
The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

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.

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

Going concern
The financial statements have been prepared on a going concern basis.

Basis of consolidation
The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2017. Asite PTY Limited has not been consolidated by virtue of it being immaterial to the Group.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

2. Accounting policies (continued)

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-Group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £97,401 (2016 - £7,206).

Changes in accounting policy
None of the standards, interpretations and amendments which are effective for periods beginning after 1 July 2016 and which have not been adopted early, are expected to have a material effect on the financial statements.

Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Group recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Group activities.

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.

Foreign currency transactions and balances
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 total equity and liabilities.

2. Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the Group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

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.

Depreciation

Depreciation is charged, to administrative expenses, so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

- Fixtures and fittings : 3 to 15 years straight line
- Plant and equipment : 3 to 15 years straight line

Intangible assets

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.

Website costs are stated at cost, net of amortisation and any provisions for impairment.

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.

Amortisation

Amortisation is charged to administrative expenses and is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

- Website costs : 3 years straight line
- Development costs : 5 years straight line

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

2. Accounting policies (continued)

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables
Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2. Accounting policies (continued)

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

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.

Financial assets and liabilities
Classification
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.

Notes to the financial statements *(continued)*

3. Revenue

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2017	2016
	£	£
Sales – UK	**5,470,484**	4,734,320
Sales – Middle East	**145,000**	65,048
Sales – Australasia	**522,162**	438,988
Sales – Europe	**323,593**	248,498
Sales – India	**147,070**	106,902
Sales – North America	**541,455**	423,579
Sales – Rest of World	**-**	24,930
Other revenue	**-**	4,432
	7,149,764	6,046,697

4. Other gains and losses

The analysis of the Group's other gains and losses for the year is as follows:

	2017	2016
	£	£
Loss on disposal of property, plant and equipment	**(20,392)**	(2,719)

5. Operating profit

Arrived at after charging/(crediting)

	2017	2016
	£	£
Depreciation expense	**83,644**	79,787
Amortisation expense	**255,153**	66,281
Foreign exchange losses	**29,748**	31,008
Operating lease expense – property	**216,558**	179,293
Loss on disposal of property, plant and equipment	**20,392**	2,719

6. Finance income and costs

	2017	2016
	£	£
Finance costs		
Interest expense and other financing liabilities	**(51,826)**	(53,646)
Foreign exchange losses	**(29,748)**	(31,008)
	(81,574)	(84,654)

Notes to the financial statements *(continued)*

7. Staff costs

The aggregate payroll costs (including directors’ remuneration) were as follows:

	2017	2016
	£	£
Wages and salaries	**2,993,311**	2,769,395
Social security costs	**160,111**	151,806
Pension costs, defined contribution scheme	**120,842**	99,087
	3,274,264	3,020,288

The average number of persons employed by the Group (including directors0 during the year, analysed by category was as follows:

	2017	2016
	No.	No.
Professional services	**15**	13
Sales and account managers	**10**	9
Technical	**205**	195
Finance and administration	**12**	10
	242	227

8. Directors’ remuneration

The directors’ remuneration for the year was as follows:

	2017	2016
	£	£
Remuneration	**510,000**	407,359

In respect of the highest paid director:

	2017	2016
	£	£
Remuneration	**280,000**	281,503

9. Auditors’ remuneration

	2017	2016
	£	£
Audit of these financial statements	**17,000**	9,000

Notes to the financial statements *(continued)*

10. Income tax

Tax charged/(credited) in the income statement:

	2017	2016
	£	£
Current taxation		
UK Corporation tax	**-**	(142,311)
Foreign tax	**80,896**	95,478
Total current income tax	**80,896**	(46,833)
Deferred taxation		
Arising from origination and reversal of temporary differences	**(134,755)**	(1,823)
Tax receipt in the income statement	**(53,859)**	(48,656)

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 – the same as the standard rate of corporation tax in the UK) of 19.75% (2016 – 20%)

The differences are reconciled below:

	2017	2016
	£	£
Profit before tax	**651,796**	908,041
Corporation tax at standard rate	**128,730**	181,608
Increase (decrease) from effect of capital allowances depreciation	**(31,183)**	(39,498)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	**71,224**	25,144
Increase (decrease) from effect of foreign tax rates	**8,257**	32,249
Increase (decrease) from effect of adjustment in research development tax credit	**-**	(248,159)
Surrender of losses	**(177,028)**	(93,655)
	-	(142,311)
Foreign tax	**80,896**	95,478
Deferred tax movement	**(134,755)**	(1,823)
Total tax credit	**(53,859)**	(48,656)

Deferred tax

Group
Deferred tax assets and liabilities

	Asset	**Liability**	**Net deferred tax**
	£	**£**	**£**
2017			
Accelerated tax depreciation	125,312	(14,835)	110,477
Short term timing differences	42,802	-	42,802
	168,114	(14,835)	153,279

Notes to the financial statements *(continued)*

10. Income tax (continued)

	Asset	Liability	Net deferred tax
	£	£	£
2016			
Accelerated tax depreciation	-	(11,476)	(11,476)
Tax losses carry-forwards	30,000	-	30,000
	30,000	(11,476)	18,525

Deferred tax movement during the year:

	At 1 July 2016	Recognised in income	At 30 June 2017
	£	£	£
Accelerated tax depreciation	(11,476)	121,953	110,477
Tax losses carry-forwards	30,000	(30,000)	-
Short term timing differences	-	42,802	42,802
Net tax assets/(liabilities)	18,524	134,755	153,279

Deferred tax movement during the prior year:

	At 1 July 2015	Recognised in income	At 30 June 2016
	£	£	£
Accelerated tax depreciation	(13,299)	1,823	(11,476)
Tax losses carry-forwards	30,000	-	30,000
Net tax assets/(liabilities)	16,701	1,823	18,524

There are £2,834,217 of unused tax losses (2016 - £4,128,625) for which no deferred tax assets is recognised in the statement of financial position.

Company
Deferred tax assets and liabilities

	Asset
	£
2017	
Tax losses carry-forwards	-

	Asset
	£
2016	
Tax losses carry-forwards	30,000

Notes to the financial statements *(continued)*

10. Income tax (continued)

Deferred tax movement during the year:

	At 1 July 2016 £	Recognised in income £	At 30 June 2017 £
Tax losses carry-forwards	30,000	30,000	-

Deferred tax movement during the year:

	At 1 July 2015 £	Recognised in income £	At 30 June 2016 £
Tax losses carry-forwards	30,000	-	30,000

Notes to the financial statements *(continued)*

11. Property, plant and equipment

Group

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 July 2015	160,825	348,908	**509,733**
Additions	5,713	58,234	**63,947**
Disposals	(4,637)	(22,634)	**(27,271)**
At 30 June 2016	161,901	384,508	**546,409**
At 1 July 2016	161,901	384,508	**546,409**
Additions	39,372	38,190	**77,562**
Disposals	(1,204)	(113,934)	**(115,138)**
At 30 June 2017	200,069	308,764	**508,833**
Depreciation			
At 1 July 2015	34,509	174,757	**209,266**
Charge of the year	17,144	62,642	**79,786**
Eliminated on disposal	(3,092)	(20,503)	**(23,595)**
At 30 June 2016	48,561	216,896	**265,457**
At 1 July 2016	48,561	216,896	**265,457**
Charge of the year	22,265	61,379	**83,644**
Eliminated on disposal	(1,204)	(93,541)	**(94,745)**
At 30 June 2017	69,622	184,734	**254,356**
Carrying amount			
At 30 June 2017	130,447	124,032	**254,477**
At 30 June 2016	113,340	167,612	**280,952**
At 30 June 2015	126,316	174,151	**300,467**

Notes to the financial statements *(continued)*

12. Intangible assets

Group

	Internally generated software development costs	**Other intangible assets**	**Total**
	£	**£**	**£**
Cost or valuation			
At 1 July 2015	477,790	63,660	**541,450**
Additions	732,700	-	**732,700**
At 30 June 2016	1,210,490	63,660	**1,274,150**
At 1 July 2016	1,210,490	63,660	**1,274,150**
Additions	634,857	-	**634,857**
At 30 June 2017	1,845,347	63,660	**1,909,007**
Amortisation			
At 1 July 2015	-	28,174	**28,174**
Amortisation charge	52,928	13,353	**66,281**
At 30 June 2016	52,928	41,527	**94,455**
At 1 July 2016	52,928	41,527	**94,455**
Amortisation charge	242,098	13,055	**255,153**
At 30 June 2017	295,026	54,582	**349,608**
Carrying amount			
At 30 June 2017	1,550,321	9,078	**1,559,399**
At 30 June 2016	1,157,562	22,133	**1,179,695**
At 30 June 2015	477,790	35,486	**513,276**

Notes to the financial statements *(continued)*

13. Investments

Group subsidiaries
Details of the Group subsidiaries as at 30 June 2017 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group	
			2017	2016
Asite Solutions Limited*	Web based portal and services	England and Wales	**99.44%**	99.44%
Asite Solutions Private Limited	Web based portal and services	India	**99.7%**	99.7%
Asite LLC	Web based portal and services	United States of America	**100%**	100%
Asite PTY Limited	Web based portal and services	Australia	**100%**	-

*indicates direct investment of the company

Composition of the Group
Details of the composition of the Group as at 30 June 2017 are as follows:

Principal activity	Country of incorporation	Number of wholly-owned subsidiaries	
		2017	2016
Web based portal and services	England and Wales	**1**	1
Web based portal and services	India	**1**	1
Web based portal and services	United States of America	**1**	1
Web based portal and services	Australia	**1**	-
		4	3

Notes to the financial statements *(continued)*

13. Investments (continued)

Summary of the company investments

	2017	2016
	£	£
Investments in subsidiaries	**65,094**	65,094

Subsidiaries

	£
Cost of valuation	
At 1 July 2015	65,094
At 30 June 2016	65,094
At 1 July 2016	65,094
At 30 June 2017	65,094
Carrying amount	
At 30 June 2017	65,094
At 30 June 2016	65,094
At 30 June 2014	65,094

14. Other financial assets

	Group		**Company**	
	2017	2016	**2017**	2016
	£	£	**£**	£
Non-current financial assets				
Loans to subsidiaries	**-**	-	**597,994**	694,088

15. Trade and other receivables

	Group		**Company**	
	2017	2016	**2017**	2016
	£	£	**£**	£
Trade receivables	**1,937,575**	1,791,667	**-**	-
Provision for impairment of trade receivables	**-**	(4,737)	**-**	-
Net trade receivables	**1,937,575**	1,786,930	**-**	-
Receivables from related parties	**208,398**	3,865	**-**	252,435
Prepayments	**240,925**	304,959	**-**	-
Other receivables	**113,016**	89,497	**-**	-
Income tax asset	**142,365**	227,531	**-**	-
Total current trade and other receivables	**2,642,279**	2,412,782	**-**	252,435

Notes to the financial statements *(continued)*

15. Trade and other receivables (continued)

The fair value of those trade and other receivables classified as financial instrument loans and receivables are disclosed in the financial instruments note.

The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in the financial risk management and impairment note.

Trade receivables above include amounts (detailed below) that are past due at the end of the reporting period and which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there hasn't been a significant change in credit quality.

Age of trade receivables that are past due but not impaired

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
91 to 120 days	**10,530**	36,886	**-**	-
3 to 6 months	**110,279**	162,853	**-**	-
6 months to 1 year	**152,513**	73,590	**-**	-
Over 1 year	**57,640**	61,147	**-**	-
	330,962	334,476	**-**	-
Average age (days)	**296**	258	**-**	-

16. Cash and cash equivalents

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Cash at bank	**908,609**	494,991	**3,215**	159

17. Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	**£**	No.	£
New ordinary shares of £0.01 each	**10,291,063**	**102,911**	10,291,063	102,911
New B shares of £0.01 each	**10,958,501**	**109,585**	10,958,501	109,585
Deferred shares of £0.99 each	**18,749,564**	**18,562,068**	18,749,564	18,562,068
	39,999,128	**18,774,564**	39,999,128	18,774,564

The company’s authorised share capital is £42,500,000, which is comprised of new ordinary shares of £0.01 each, new B shares of £0.01 each and deferred shares of £0.99 each.

Rights, preferences and restrictions

New ordinary shares have the following rights, preferences and restrictions:
New ordinary shares have one voting right per share, equal rights to dividend entitlements and the priority to receive funds on the winding up of the company.

Notes to the financial statements *(continued)*

17. Share capital (continued)

New B shares have the following rights, preferences and restrictions:
New B shares do not have voting rights. New B shares have the same rights as the new ordinary shares with respect to dividend entitlements and the priority to receive funds on the winding up of the company.

Deferred shares have the following rights, preferences and restrictions:
Deferred shares have no voting or attendance rights. Deferred shares have no right to receive dividends. On a return of capital or the 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 £1,000,000.

18. Loans and borrowings

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Non-current loans and borrowings				
Other borrowings	**730,000**	970,000	**730,000**	970,000

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Current loans and borrowings				
Other borrowings	**243,018**	240,000	**240,000**	240,000

Other borrowings

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 2021. There is a fixed charge held over the intellectual property assets of the Group.

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note. The Group's exposure to market and liquidity risks, including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note.

19. Obligations under leases and hire purchase contracts

Group

Operating leases

The total future value of minimum lease payments is as follows:

	2017	2016
	£	£
Within one year	**183,354**	204,383
In two to five years	**342,144**	42,917
	525,498	247,300

The amount of non-cancellable operating lease payments recognised as an expense during the year was £Nil (2016 - £Nil)

Notes to the financial statements *(continued)*

20. Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £120,842 (2016 - £99,087).

21. Share based payments

Enterprise Management Incentive scheme (EMI)

Scheme details and movements

Under the Group's Enterprise Management Incentive scheme (EMI), share options are granted to executive directors and selected employees. The exercise price of the granted options is 1p per ordinary share. Options are exercisable on disposal or flotation of the company and there is a ten year option exercise period from the grant date of March 2011. The Group has no legal or constructive obligation to repurchase or settle the options in cash. In calculating the fair value of these options no other market related performance conditions have been used. The fair value of the share based payment expense was £nil (2016 - £nil).

The movements in the number of share options during the year were as follows:

	2017	2016
	No.	No.
Outstanding, start of period	**12,320,711**	12,420,711
Forfeited during the period	**-**	(100,000)
Outstanding, end of period	**12,320,711**	12,320,711

The movements in the weighted average exercise price of share options during the year were as follows:

The weighted average share price at date of exercise of share options exercised during the year was £0.01 (2016 - £0.01).

Outstanding share options

Details of share options outstanding at the end of the year are as follows:

	2017	2016
Number of share options outstanding	**12,320,711**	12,320,711
Expected weighted average remaining life (years)	**4.00**	5.00

The option pricing model used was the Black-Scholes model.

In line with IFRS 2 and for the purposes of estimating the charge for share based payments, 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 disposal 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.

Notes to the financial statements *(continued)*

22. Trade and other payables

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Trade payables	**387,074**	142,352	**12,542**	6,671
Accrued expenses	**444,911**	368,348	**1,530**	22,933
Social security and other taxes	**195,297**	243,125	**-**	(322)
Other payables	**237,742**	157,303	**(8,920)**	12,435
	1,265,024	911,128	**5,152**	41,717

The fair value of the trade and other payables classified as financial instruments are disclosed in the financial instruments note.

The Group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk management and impairment note.

23. Commitments

Group

The total amount contracted for but not provided in the financial statements was £Nil (2016 - £Nil).

Company

The total amount contracted for but not provided in the financial statements was £Nill (2016 - £Nil).

24. Contingent liabilities

Group

The Group does not have any contingent liabilities (2016 - £nil).

Company

The Company does not have any contingent liabilities (2016 - £nil).

25. Financial risk management and impairment of financial assets

Group
The Board is charged with managing the various risk exposures.

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.

Foreign exchange 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.

Notes to the financial statements *(continued)*

25. Financial risk management and impairment of financial assets (continued)

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.

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

Capital 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.

26. Related party transactions

Key management personnel
Directors.

Summary of transactions with key management
Key management compensation has been disclosed in note 8 Directors' remuneration.

Summary of transactions with other related parties
Companies in which the directors of Asite Ltd are shareholders and directors.

Income and receivables from related parties

	Key management	**Other related parties**
	£	£
2017		
Receipt of services	3,600	66,181
Amounts receivable from related party	12,960	47,869

Notes to the financial statements *(continued)*

26. Related party transactions (continued)

	Key management £	Other related parties £
2016		
Receipt of services	3.600	64,096
Amounts receivable from related party	8,640	71,438

Expenditure with and payables to related parties

	Other related parties £
2017	
Rendering of services	150,309

	Other related parties £
2016	
Rendering of services	326,704

Loans from related parties

	Other related parties £
2017	
At start of period	1,210,000
Repaid	(284,270)
Interest charged	44,270
At end of period	970,000

Notes to the financial statements *(continued)*

26. Related party transactions (continued)

	Other related parties £
2016	
At start of period	1,450,000
Repaid	(293,646)
Interest charged	53,646
At end of period	1,210,000

27. Parent and ultimate parent undertaking

The ultimate controlling party is the Tchenguiz Discretionary Trust.

28. Non adjusting events after the financial period

Asite has continued to invest into its R&D and with the March 2018 launch of the Group's latest technology stack Adoddle: The New Dawn the additional functionality will change how the industry will think about collaboration and management of data.