

**ASITE LIMITED**

**ANNUAL REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 JUNE 2020**

**REGISTERED NUMBER: 02004015**

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**COMPANY INFORMATION**

<b>Directors</b>	W Goldsmith (resigned 11 June 2020) R Tchenguiz N Doughty T Pickworth (appointed 6 February 2020) N Martin (appointed 30 December 2019) T Ryan (resigned 2 January 2020)
<b>Company Secretary</b>	T Pickworth
<b>Registered number</b>	02004015
<b>Registered office</b>	1 Mark Square London EC2A 4EG United Kingdom
<b>Independent auditor</b>	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditor Third Floor 10 South Parade Leeds LS1 5QS

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**CONTENTS**

	Page
<b>Strategic Report</b>	1 – 2
<b>Directors' Report</b>	3 – 5
<b>Independent Auditor's Report to the members of Asite Limited</b>	6 – 8
<b>Consolidated Income Statement</b>	9
<b>Consolidated Statement of Comprehensive Income</b>	10
<b>Consolidated Statement of Financial Position</b>	11
<b>Company Statement of Financial Position</b>	12
<b>Consolidated Statement of Changes in Equity</b>	13
<b>Company Statement of Changes in Equity</b>	14
<b>Consolidated Statement of Cash Flows</b>	15
<b>Company Statement of Cash Flows</b>	16
<b>Notes to the Financial Statements</b>	17 - 42

## Asite Limited

### Annual Report and Consolidated Financial Statements For the year ended 30 June 2020

#### STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020

##### Introduction

The directors present their strategic report for the year ended 30 June 2020.

##### Review of the business

I am pleased to report that the Group has continued its growth and increased its global footprint over the past 12 months. For the year ended 30 June 2020 revenue increased by 14% from £9,638,308 to £11,018,540 and operating profit decreased by 23% from £2,484,169 to £1,904,194.

Asite's vision is to connect people and help the world build better.

During this period, we have opened new offices in Houston, Texas to support our North American business, and in the United Arab Emirates and Saudi Arabia to support growth in the GCC region. We've invested in staff worldwide, and continued to deliver successful new innovations in the Asite Platform.

Our Asite Platform continues to push the boundaries of research and innovation in the field of digital engineering on behalf of our customers. This positions us well to deliver on our strategic plan to become the global leader in digital engineering by integrating supply chains for capital projects and infrastructure developments worldwide.

##### COVID Impact

The COVID-19 pandemic and the governmental measures taken to contain it across the world took grip in the second half of Asite's fiscal year and continue today. Despite the clear slowdown associated with the lockdown measures in the geographies where Asite operates, the company is well placed for the future as a web-native and mobile-native platform to negotiate the unique set of conditions currently facing the global economy.

##### Key Performance Indicators

Asite continues to manage the business through both financial Key Performance Indicators (KPIs) as listed above, and non-financial KPIs such as numbers of users, number of clients and churn rate.

##### Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA)

The Directors consider EBITDA to be a strategically important KPI for the business and we continuously monitor EBITDA in accordance with the key metrics of the business:

	<u>2020</u>	<u>2019</u>
Turnover (£)	11,018,540	9,638,308
EBITDA (£)	2,651,638	3,091,098
As a % of Turnover	24	32

The year on year decrease in EBITDA is largely attributable to the increased strategic investment into Sales & Marketing headcount in both new and existing regions.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

**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 ongoing 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.

This report was approved by the board and signed on its behalf by:



**N Doughty**  
Chief Executive

Date: *24<sup>th</sup> November 2020*

## **Asite Limited**

### **Annual Report and Consolidated Financial Statements For the year ended 30 June 2020**

#### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

The directors present their report and the audited financial statements of Asite Limited (the 'Company') and its subsidiaries (together the 'Group') for the year ended 30 June 2020.

#### **Dividends**

No ordinary dividends were paid in either the current or the prior period.

The directors do not recommend the payment of a final dividend.

#### **Directors**

The directors who held office during the year were:

W Goldsmith (resigned 11 June 2020)  
R Tchenguiz  
N Doughty  
T Pickworth (appointed 6 February 2020)  
N Martin (appointed 30 December 2019)  
T Ryan (resigned 2 January 2020)

#### **Principal activity**

The principal activity of the Group is to provide a Software as a Service (SaaS) digital engineering platform to integrate supply chains for capital projects, infrastructure developments, and asset management.

#### **Political donations**

The company made no political donations or incurred any political expenditure during the year.

#### **Research and development**

The Group continues to invest in research and development in the field of digital engineering. Research and development costs incurred during the year to 30 June 2020 totalled £784,730 (2019 - £683,242) all of which was capitalised. The directors regard investment in this area as a prerequisite for success in the medium to long term future.

#### **Financial instruments**

##### ***Objectives and policies***

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

*Price risk, credit risk, liquidity risk, cash flow and foreign currency 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.

## **Asite Limited**

### **Annual Report and Consolidated Financial Statements For the year ended 30 June 2020**

#### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020**

##### Cash flow

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 overseas investments and operations in various countries across the world. The group hedges against these currency risks.

Save for loan finance provided by R20 Limited which has now been completely repaid during the year of which R 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.

##### **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 2020 represented 72 days (2019 – 57 days) trade purchases. This is calculated as the weighted average trade creditors at 30 June 2020.

##### **Going concern**

The directors have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the directors is that, while they acknowledge the significant disruption that the pandemic has brought and will continue to bring over the coming weeks and months, the directors feel that the company is well placed to negotiate the unique set of conditions currently facing the global economy – the company's current level of cash is positive and many of the company's customers operate within sectors that are considered critical to society and long-term governmental infrastructure.

In reaching their conclusion, the directors have considered their cash flow from a period of 12 months from the date of sign off, the various financial support measures that have been announced by the UK and other national governments, and the availability of funding both externally and internally.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

##### **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 the 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.

##### **Future developments**

The directors are not expecting to make any significant changes in the nature of the business in the near future but acquisitions remain a key focus for the Company's further growth.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

**Directors' responsibilities statement**

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 period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards 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 company and of the profit or loss of the company for that period and otherwise comply with the Companies Act 2006. In preparing these financial statements, the directors are required to:

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

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

**Auditor**

On 4 May 2020 KPMG LLP resigned as the Company's auditors and Armstrong Watson Audit Limited were subsequently appointed to fill the vacancy arising. Armstrong Watson Audit Limited have indicated their willingness to be reappointed in accordance with Section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**N Doughty**  
Chief Executive

Date: 24<sup>th</sup> November 2020



**Asite Limited**  
**Annual Report and Consolidated Financial Statements**  
**For the year ended 30 June 2020**

**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

To the members of **Asite Limited**

**Opinion**

We have audited the financial statements of Asite Limited (the 'company') for the period ended 30 June 2020 which comprise the Statement of income and comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 30 June 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **Asite Limited**

### **Annual Report and Consolidated Financial Statements For the year ended 30 June 2020**

#### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020**

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

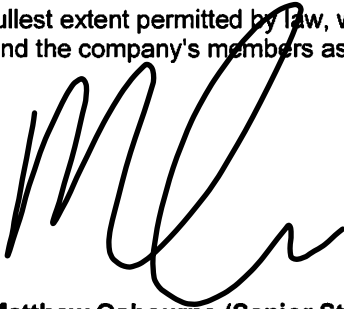
**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

**Use of our report**

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



**Matthew Osbourne (Senior Statutory Auditor)**  
For and on behalf of Armstrong Watson Audit Limited  
Chartered Accountants  
Statutory Auditors  
Leeds  
Date:

23.11.20

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	<u>2020</u> £	<u>2019</u> £
<b>Revenue</b>	4	11,018,540	9,638,308
Cost of sales		(2,257,031)	(1,486,651)
<b>Gross profit</b>		<u>8,761,509</u>	<u>8,151,657</u>
Distribution costs		(1,289,716)	(885,597)
Administrative expenses		(5,590,529)	(4,780,200)
Other operating income	5	22,930	-
Other losses	5	-	(1,691)
<b>Operating profit</b>	7	<u>1,904,194</u>	<u>2,484,169</u>
Finance costs	6	(31,728)	(6,366)
<b>Profit before taxation</b>		<u>1,872,466</u>	<u>2,477,803</u>
Income tax	12	(211,812)	1,519,615
<b>Profit for the year</b>		<u>1,660,654</u>	<u>3,997,418</u>
<b>Profit for the year</b>			
Attributable to owners of the company		<u>1,660,654</u>	<u>3,997,418</u>

All amounts relate to continuing operations.

The notes on pages 17 to 42 form part of these financial statements.

Asite Limited

Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020

	<u>2020</u> £	<u>2019</u> £
Profit for the year	1,660,654	3,997,418
<b>Items that may be reclassified subsequently to profit or loss</b>		
Foreign currency translation gains/(losses)	(7,080)	90,721
<b>Total comprehensive income for the year</b>	<u>1,653,574</u>	<u>4,088,139</u>
<b>Total comprehensive income attributable to: Owners of the company</b>	<u>1,653,574</u>	<u>4,088,139</u>

The notes on pages 17 to 42 form part of these financial statements.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

	Note	<u>2020</u> £	<u>2019</u> £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	271,256	211,859
Intangible assets	14	2,270,436	2,158,392
Deferred tax assets	12	2,269,186	2,133,410
		<u>4,810,878</u>	<u>4,503,661</u>
<b>Current assets</b>			
Trade and other receivables	16	3,099,353	3,179,762
Cash and cash equivalents		4,878,397	3,434,058
		<u>7,977,750</u>	<u>6,613,820</u>
<b>Total assets</b>		<u><b>12,788,628</b></u>	<u><b>11,117,481</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	(18,824,564)	(18,824,564)
Share premium		(2,441,592)	(2,441,592)
Retained earnings		11,830,477	13,484,051
Equity attributable to owners of the company		<u>(9,435,679)</u>	<u>(7,782,105)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	17	-	(250,000)
Deferred tax liabilities	12	(376,790)	(161,894)
		<u>(376,790)</u>	<u>(411,894)</u>
<b>Current liabilities</b>			
Trade and other payables	19	(1,396,685)	(1,384,270)
Loans and borrowings	17	-	(240,000)
Deferred income		(1,579,474)	(1,299,212)
		<u>(2,976,159)</u>	<u>(2,923,482)</u>
<b>Total liabilities</b>		<u><b>(3,352,949)</b></u>	<u><b>(3,335,376)</b></u>
<b>Total equity and liabilities</b>		<u><b>(12,788,628)</b></u>	<u><b>(11,117,481)</b></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**N Doughty**

Chief Executive

Date: 24<sup>th</sup> November 2020

Company registered number: 02004015

The notes on pages 17 to 42 form part of these financial statements.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

	Note	<u>2020</u> £	<u>2019</u> £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	11	65,094	65,094
Deferred tax assets	12	1,506	1,506
		<u>66,600</u>	<u>66,600</u>
<b>Current assets</b>			
Cash and cash equivalents		8,845	4,921
		<u>8,845</u>	<u>4,921</u>
<b>Total assets</b>		<u><b>75,445</b></u>	<u><b>71,521</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	(18,824,564)	(18,824,564)
Share premium		(2,441,592)	(2,441,592)
Retained earnings		21,876,238	21,762,175
Equity attributable to owners of the company		<u>610,082</u>	<u>496,019</u>
<b>Non-current liabilities</b>			
Loans and borrowings	17	-	(250,000)
		<u>-</u>	<u>(250,000)</u>
<b>Current liabilities</b>			
Trade and other payables	19	(25,285)	(58,257)
Loans and borrowings	17	-	(240,000)
Other current financial liabilities	15	(660,242)	(19,283)
		<u>(685,527)</u>	<u>(317,540)</u>
<b>Total liabilities</b>		<u><b>(685,527)</b></u>	<u><b>(567,540)</b></u>
<b>Total equity and liabilities</b>		<u><b>(75,445)</b></u>	<u><b>(71,521)</b></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**N Doughty**  
Chief Executive

Date: *24<sup>th</sup> November 2020*

Company registered number: 02004015

The notes on pages 17 to 42 form part of these financial statements.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

	Share capital £	Share premium £	Retained earnings £	Total equity £
<i>For the year ended 30 June 2020</i>				
<b>At 1 July 2019</b>	<b>18,824,564</b>	<b>2,441,592</b>	<b>(13,484,051)</b>	<b>7,782,105</b>
Profit for the year	-	-	1,660,654	1,660,654
Other comprehensive income/ (expense)	-	-	(7,080)	(7,080)
Total comprehensive income	-	-	1,653,574	1,653,574
<b>At 30 June 2020</b>	<b>18,824,564</b>	<b>2,441,592</b>	<b>(11,830,477)</b>	<b>9,435,679</b>
<i>For the year ended 30 June 2019</i>				
<b>At 1 July 2018</b>	<b>18,774,564</b>	<b>2,441,592</b>	<b>(17,572,190)</b>	<b>3,643,966</b>
Profit for the year	-	-	3,997,418	3,997,418
Other comprehensive income	-	-	90,721	90,721
Total comprehensive income	-	-	4,088,139	4,088,139
Issue of share capital	50,000	-	-	50,000
<b>At 30 June 2019</b>	<b>18,824,564</b>	<b>2,441,592</b>	<b>(13,484,051)</b>	<b>7,782,105</b>

The notes on pages 17 to 42 form part of these financial statements.



**Asite Limited****Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

	Share capital £	Share premium £	Retained earnings £	Total equity £
<i>For the year ended 30 June 2020</i>				
<b>At 1 July 2019</b>	18,824,564	2,441,592	(21,762,175)	(496,019)
Loss for the year	-	-	(114,063)	(114,063)
Total comprehensive income/(expense)	-	-	(114,063)	(114,063)
Issue of share capital	-	-	-	-
<b>At 30 June 2020</b>	<b>18,824,564</b>	<b>2,441,592</b>	<b>(21,876,238)</b>	<b>(610,082)</b>
<i>For the year ended 30 June 2019</i>				
<b>At 1 July 2018</b>	18,774,564	2,441,592	(21,622,162)	(406,006)
Loss for the year	-	-	(140,013)	(140,013)
Total comprehensive income/(expense)	-	-	(140,013)	(140,013)
Issue of share capital	50,000	-	-	50,000
<b>At 30 June 2019</b>	<b>18,824,564</b>	<b>2,441,592</b>	<b>(21,762,175)</b>	<b>(496,019)</b>

The notes on pages 17 to 42 form part of these financial statements.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	<u>2020</u> £	<u>2019</u> £
<b>Cash flows from operating activities</b>			
Profit for the year		1,660,654	3,997,418
<i>Adjustments to cash flows for non-cash items</i>			
Depreciation and amortisation	7	747,444	606,929
Loss on disposal of property, plant and equipment and investments	5	-	1,691
Finance costs	6	31,728	6,366
Income tax (credit) / charge	12	211,812	(1,519,615)
		<u>2,651,638</u>	<u>3,092,789</u>
Decrease/(increase) in trade and other receivables	16	80,409	(634,065)
Increase/(decrease) in trade and other payables	19	12,415	(33,272)
(Decrease)/increase in deferred income		280,260	338,081
Net cash flow from operating activities		<u>3,024,722</u>	<u>2,763,533</u>
<b>Cash flows from investing activities</b>			
Acquisitions of property, plant and equipment	13	(134,155)	(67,898)
Acquisition of intangible assets	14	(784,730)	(683,242)
Proceeds on disposal of property, plant and equipment		-	250
Net cash flows from investing activities		<u>(918,885)</u>	<u>(750,890)</u>
<b>Cash flows from financing activities</b>			
Interest paid	6	(5,874)	(26,894)
Proceeds from share issues		-	50,000
Repayment of other borrowing		(490,000)	(240,000)
Foreign exchange gains/ (losses)	6	(25,854)	20,528
Net cash flows from financing activities		<u>(521,728)</u>	<u>(196,366)</u>
Net increase/(decrease) in cash and cash equivalents		1,584,109	1,816,277
Cash and cash equivalents at 1 July		3,434,058	1,578,668
Effect of exchange rate fluctuations on cash held		(139,770)	39,113
Cash and cash equivalents at 30 June		<u>4,878,397</u>	<u>3,434,058</u>

The notes on pages 17 to 42 form part of these financial statements.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	<u>2020</u> £	<u>2019</u> £
<b>Cash flows from operating activities</b>			
Loss for the year		(114,063)	(140,013)
<i>Adjustments to cash flows for non-cash items</i>			
Finance income	6	-	-
Finance costs	6	14,761	24,757
Income tax credit		-	-
		<u>(99,302)</u>	<u>(115,256)</u>
Decrease/(increase) in trade and other receivables	16	(32,972)	317,064
Increase/(decrease) in trade and other payables	19	640,959	13,715
Net cash flow from operating activities		<u>508,685</u>	<u>215,523</u>
<b>Cash flows from investing activities</b>			
Interest received	6	-	-
Net cash flows from investing activities		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Interest paid	6	(14,761)	(24,757)
Proceeds from other borrowing draw downs		-	-
Repayment of other borrowing		(490,000)	(240,000)
Issue of shares		-	50,000
Net cash flows from financing activities		<u>(504,761)</u>	<u>(214,757)</u>
Net increase/(decrease) in cash and cash equivalents		3,924	766
Cash and cash equivalents at 1 July		4,921	4,155
Cash and cash equivalents at 30 June		<u>8,845</u>	<u>4,921</u>

The notes on pages 17 to 42 form part of these financial statements.

## Asite Limited

### Annual Report and Consolidated Financial Statements For the year ended 30 June 2020

#### NOTES TO THE FINANCIAL STATEMENTS

##### 1. General Information

Asite Limited (the "Company") is a company limited by shares, incorporated and domiciled in the UK. The address of its registered office is 1 Mark Square, London, EC2A 4EG. The registered number of the Company is 02004015.

The principal activity of the Company is that of a holding company.

The principal activity of the Group is to provide a Software as a Service (SaaS) digital engineering platform to integrate supply chains for capital projects, infrastructure developments, and asset management.

The accounting policies set out below have, unless otherwise stated, been applied consistently in these financial statements.

##### 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*

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

###### *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 directors have considered the on-going situation with regard to COVID-19 as part of their going concern assessment. The view of the directors is that, while they acknowledge the significant disruption that the pandemic has brought and will continue to bring over the coming weeks and months, the directors feel that the company is well placed to negotiate the unique set of conditions currently facing the global economy – the company's current level of cash is positive and many of the company's customers operate within sectors that are considered critical to society and long-term governmental infrastructure.

In reaching their conclusion, the directors have considered their cash flow from a period of 12 months from the date of sign off, the various financial support measures that have been announced globally, and the availability of funding both externally and internally.

## **Asite Limited**

### **Annual Report and Consolidated Financial Statements For the year ended 30 June 2020**

#### **Accounting Policies (continued)**

The parent company is showing a net current liability position in their individual financial statements as at 30 June 2020. Asite Solutions Limited has agreed to defer its intercompany balance at the year end in favour of other creditors in order to maintain the company as a going concern. The directors and shareholders have indicated their continued support for all entities within the group in order to further support the group's trading activities.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

#### ***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Company and its entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power over the investee, is exposed, or has right, to variable returns from its involvement with the investee and has the ability to use its power to affect its return. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies of the group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of loss of control, as applicable.

No profit or loss account is presented for the company as permitted by Section 408 of the Companies Act 2006.

#### ***Business Combinations***

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of any assets transferred, liabilities incurred and the equity interest's issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration agreement. Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is initially measured at cost, being the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. At each balance sheet date goodwill is reviewed for impairment using a discounted cash flow method applied to business forecasts. If the review demonstrates that impairment has occurred, this is expensed to the income statement.

#### ***Foreign currency***

Transactions in foreign currencies are translated to the Group's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign

## Asite Limited

### Annual Report and Consolidated Financial Statements For the year ended 30 June 2020

#### Accounting Policies (continued)

currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

#### International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Company.

Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of, these financial statements, the following could have a material impact on the Company's financial statements going forward:

New/Revised International Financial Reporting Standards		Effective Date: Annual periods beginning on or after:	EU adopted
IAS 1	<i>Amendments to IAS 1 and IAS 8: Definition of Material</i>	1 January 2020	No
IFRS 3	<i>Definition of a Business – Amendments to IFRS 3</i>	1 January 2020	No
	<i>The Conceptual Framework for Financial Reporting</i>	1 January 2020	No
IAS 1	<i>Classification of Liabilities as Current or Non-current - Amendments to IAS 1</i>	1 January 2022	No

New / revised International Financial Reporting Standards which are not considered to potentially have a material impact on the Company's financial statements going forwards have been excluded from the above.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not listed below are not expected to have a material impact on the Company's financial statements.

There are no other standards and interpretations in issue but not yet adopted that the directors anticipate will have a material effect on the reported income or net assets of the Company.

#### Revenue recognition

In accordance with IFRS 15, Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer (i.e. when the Group delivers its performance obligation under the contract) at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group typically enters into multi-element arrangements which include software licence fees, software development consultancy and training services. Each element of revenue has contractually individual performance obligations, as such 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'.

## **Asite Limited**

### **Annual Report and Consolidated Financial Statements For the year ended 30 June 2020**

#### **Accounting Policies (continued)**

Training revenue relates to customer training to use the product. Software development 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.

#### **Taxation**

Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that effect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### **Property, plant and equipment**

Property, plant and equipment is recorded at acquisition cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Depreciation is provided for annually on a straight-line basis using the following useful lives:

- Fixtures, fittings and equipment – 3 to 15 years straight line
- Other property, plant and equipment – 3 to 15 years straight line

Property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income and comprehensive income when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is considered to be 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

## Asite Limited

### Annual Report and Consolidated Financial Statements For the year ended 30 June 2020

#### Accounting Policies (continued)

##### *Intangible assets*

Intangible assets acquired by the company are stated at cost less accumulated impairment losses. Cost is defined as the amount of cash or cash equivalent paid or the fair value of other consideration given, to acquire these assets at the time of their acquisition.

##### *Amortisation*

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date.

Amortisation is calculated over the estimated useful lives of the assets as follows:

- Internally generated software development costs – 5 years straight line
- Other intangible assets – 3 years straight line

The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

##### *Investments*

Investments in subsidiaries are measured at cost less accumulated impairment.

##### *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand, deposits held, and other short-term liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash. Cash and cash equivalents are not subject to a risk of change in fair value.

##### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

##### *[a] Initial recognition*

Appropriate classification of financial assets and financial liabilities is determined at the time of initial recognition or when reclassified on the consolidated statements of financial position using one of the following measurement categories:

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income ["FVTOCI"]; or
- (iii) Fair value through profit or loss ["FVTPL"].



## Asite Limited

### Annual Report and Consolidated Financial Statements For the year ended 30 June 2020

#### Accounting Policies (continued)

##### Financial assets:

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, FVTOCI, or FVTPL. The classification of financial assets are generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets are subsequently measured at amortised cost if both the following conditions are met and they are not designated as FVTPL:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of income and other comprehensive income [loss] when the asset is derecognised, modified or impaired.

##### Financial liability:

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL. Financial liabilities are classified as FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) it is designated as FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as a FVTPL upon initial recognition if:

1. such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
2. the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis at a group level; or
3. it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as FVTPL.

For financial liabilities that are designated as FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the consolidated statements of income and comprehensive income. The remaining amount of change in the fair value of liability is recognised in the consolidated statements of income and comprehensive income. The gain or loss recognised in the consolidated statements of income and comprehensive income incorporates any interest paid on the financial liability and is included in finance costs, net.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) designated as FVTPL are subsequently measured at amortised cost using the effective interest rate method. Interest paid from these financial liabilities is included in finance costs, net using the effective interest rate method.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as FVTPL, are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognised immediately in consolidated statements of income.

## **Asite Limited**

### **Annual Report and Consolidated Financial Statements For the year ended 30 June 2020**

#### **Accounting Policies (continued)**

##### ***Impairment of financial assets***

As the Company's financial assets are substantially made up of trade receivables, which are measured at amortised cost, the Company has elected to apply the simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses ["ECL"]. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognised.

##### ***Leases***

In January 2016, the IASB issued IFRS 16, which specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard (effective accounting periods commencing 1 January 2019) provides a lessee accounting model, requiring lessees to recognize assets and liabilities for all leases where the company has control and the right of use of the asset. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. In accordance with IFRS 16, the company has reviewed its underlying lease agreements and in accordance with the standards has continued to classify these as operating leases.

Assets held under finance leases are initially recognised as assets at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statements of financial position as a finance lease obligation.

##### ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income and comprehensive income, net of any reimbursement.

##### ***Employee benefits***

The Company has certain pension plans, which consist of defined contribution plans. These plans take different forms depending on the legal, financial and tax regime of each country. The cost of defined contribution pension plans is charged to expense as the contributions become payable and cease when an employee leaves the Company.

##### ***Share capital***

Share capital represents the nominal value of the shares that have been issued.

##### ***Share premium***

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

## Asite Limited

### Annual Report and Consolidated Financial Statements For the year ended 30 June 2020

#### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. Key sources of estimation, uncertainty and significant accounting judgements

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumption that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The directors consider the key accounting estimates to be valuation and capitalisation of development costs, residual values of intangible fixed assets and provision for trade debtors.

At the start of an internally developed project management assess if it will generate probable future economic benefits and meet the criteria for the costs to be capitalised. Once management conclude it meets the criteria they then use their judgement to assess the allocation of costs that specifically relate to the project.

The residual values of intangible fixed assets are reviewed on an ongoing basis by the directors.

Provisions for trade debtors are reviewed by the directors on an ongoing basis who use their specific industry knowledge and experience to ensure the correct judgements.

In preparing the financial statements the directors have also considered the likelihood of any post year end impairment to asset values that may have arisen as a result of the COVID-19 pandemic. The directors have concluded that no such impairment has arisen and, accordingly, there has been no material diminution in asset values following the year end.

#### 4. Revenue

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

	2020 £	2019 £
Software licence fees	7,491,445	6,874,650
Software development consultancy	1,669,305	1,226,940
Training services	1,857,790	1,536,718
	<u>11,018,540</u>	<u>9,638,308</u>

Revenue by geographical location is as follows:

	2020 £	2019 £
Sales – UK	8,200,417	7,070,653
Sales – Australasia	1,108,259	1,106,580
Sales – Europe	423,947	483,462
Sales – India	186,347	180,224
Sales – North America	1,099,570	797,389
	<u>11,018,540</u>	<u>9,638,308</u>

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***Contract balances***

The following table provides information about receivables and contract liabilities from contracts with customers.

	2020 £	2019 £
Trade receivables from customers (see note 16)	2,369,765	2,541,215
Contract assets (accrued income) (see note 16)	185,158	197,458
Contract liabilities (deferred income)	1,579,474	1,299,212

Contract assets represent revenue recognised but not yet invoiced. All contract assets as of 30 June 2019 (£197,458) were invoiced during the year ended 30 June 2020. The same is expected to be true for all contract assets at the year ended 30 June 2020.

Contract liabilities represent the Group's obligation to transfer goods or services to customers, for which the Group has already received consideration from the customer. All of the contract liability balance as of 30 June 2019 (£1,299,212) has been recognised as revenue during the year ended 30 June 2020. The same is expected to be true for all contract liabilities at the year ended 30 June 2020.

**5. Other gains, losses and Operating Income**

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

	2020 £	2019 £
JRS Furlough reclaim	10,430	-
Other sundry income	12,500	-
Loss on disposal of investments, property, plant and equipment	-	(1,691)
	<u>22,930</u>	<u>(1,691)</u>

**6. Finance income and costs**

	2020 £	2019 £
Interest expense and other financing liabilities	(16,378)	(26,894)
Interest receivable	10,504	-
Foreign exchange gains/(losses)	(25,854)	20,528
	<u>(31,728)</u>	<u>(6,366)</u>

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Operating profit**

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	74,758	70,887
Amortisation expense	672,686	536,043
Foreign exchange (income)/expense	25,854	(20,250)
Operating lease expense – property	<u>579,025</u>	<u>420,741</u>

The group has adopted IFRS 16 Leases for the first time in the year ended 30 June 2020. In accordance with IFRS 16, the company has reviewed its underlying lease agreements and concluded that the assets leased do not meet the recognition criteria for capitalisation as a right of use asset. Accordingly, there are no adjustments required as a result of the transition to IFRS16.

**8. Staff numbers and costs**

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

	2020	2019
	£	£
Wages and salaries	4,726,105	3,375,259
Social security costs	337,105	329,382
Other pension costs	<u>139,379</u>	<u>84,091</u>
	<u>5,202,589</u>	<u>3,788,732</u>

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

	2020	2019
	No.	No.
Executive staff	4	4
Professional services	17	15
Sales and account managers	16	10
Marketing	5	-
Technical	195	166
Finance and administration	4	5
	<u>241</u>	<u>200</u>

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. Directors' remuneration**

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	661,458	673,750
Employer pension contribution	<u>7,969</u>	<u>3,797</u>

In respect of the highest paid director:

	2020	2019
	£	£
Remuneration	309,375	380,000
Employer pension contribution	<u>6,282</u>	<u>-</u>

Two (2019 – One) directors are receiving pension benefits that total to £7,969 for the current year (2019: £3,797).

**10. Auditors' remuneration**

	2020	2019
	£	£
Audit of these financial statements	18,750	23,500
Other services related to taxation	<u>8,200</u>	<u>9,120</u>

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. Investments**

**Group subsidiaries**

Details of the group subsidiaries as at 30 June 2020 are as follows:

Name of subsidiary	Principal activity	Registered office address	Proportion of ownership and voting rights held by the group	
			2020	2019
Asite Solutions Limited*	Web based portal and services	1 Mark Square, London, United Kingdom, EC2A 4EG	99.4%	99.4%
Asite Solutions Private Limited	Web based portal and services	A4, Shivalik Business Center, Bh. Rajpath Club, Bodakdev, Ahmedabad 380015, Gujarat, India	99.7%	99.7%
Asite LLC	Web based portal and services	245 W. 29 <sup>th</sup> Street, Unit 1601, New York City, New York 10001. United States	100.0%	100.0%
Asite Solutions PTY Ltd	Web based portal and services	Suite 1, Level 32, 1 Market Street, Sydney NSW 2000 Australia	100.0%	100.0%
Asite Solutions (HK) Ltd	Web based portal and services	Unit 2050, Level 20, Chinachem Exchange Square, 1-7 Hoi Wan Street, Quarry Bay, Hong Kong	100.0%	100.0%
Asite Solutions DMCC	Web based portal and services	Unit No: RET-R6-109 Detached Retail R6 Plot No: JLT-PH2-RET-R6 Jumeirah Lakes Towers Dubai United Arab Emirates	100.0%	100.0%

\*indicates direct investment of the company

**Composition of the Group**

Country of incorporation for all subsidiaries is the same as per the above address.

**Summary of the company investments**

	2020	2019
	£	£
Investments in subsidiaries	<u>65,094</u>	<u>65,094</u>

**Subsidiaries**

**Cost or valuation and carrying amount**

At 1 July 2018 and 30<sup>th</sup> June 2019

£

65,094

At 1 July 2019 and 30<sup>th</sup> June 2020

65,094

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12. Taxation**

	2020 £	2019 £
<b>Current taxation</b>		
UK Corporation tax	-	-
Foreign tax	139,119	82,132
<b>Total current tax</b>	139,119	82,132
<b>Deferred tax</b>		
Movement in tax losses	72,693	(1,873,449)
Other movements	-	271,702
Deferred tax charge/ (credit)	72,693	(1,601,747)
<b>Total tax (credit)/charge in income statement</b>	211,812	(1,519,615)

The tax on profit before tax for the year is the lower than corporation tax in the UK (2019 – lower than the standard rate of corporation tax in the UK) of 19% (2019 – 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	1,872,466	2,477,803
Corporation tax at standard rate of 19% (2019 – 19%)	355,769	470,782
Expenses not deductible	-	10,504
Losses not recognised	36,734	26,602
Other movements	(40,732)	189,740
Increase from effect of foreign tax rates	58,462	19,712
Deduction for R&D expenditure	(193,828)	(194,532)
Recognition of previously unrecognised tax losses	-	(1,873,449)
Utilisation of losses	(4,593)	(168,974)
<b>Total tax charge/(credit)</b>	211,812	(1,519,615)

The headline UK corporation tax rate was 20% up until 1 April 2017, when it reduced to 19%. This was due to fall to 17% with effect from 1 April 2020. The Government subsequently withdrew its rate reduction in the latest budget and the deferred tax rates have been restated accordingly to 19% at 30 June 2020.



**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12. Taxation (continued)**

**Deferred tax**

**Group**

Deferred tax assets and liabilities

	Asset	Liability	Net deferred tax
	£	£	£
<b>2020</b>			
Accelerated tax depreciation	-	(376,790)	(376,790)
Recognised losses	2,269,186	-	2,269,186
	2,269,186	(376,790)	1,892,396

	Asset	Liability	Net deferred tax
	£	£	£
<b>2019</b>			
Accelerated tax depreciation	-	(161,894)	(161,894)
Recognised losses	2,133,410	-	2,133,410
	2,133,410	(161,894)	1,971,516

Deferred tax movement during year:

	At 1 July 2019	Recognised in income	At 30 June 2020
	£	£	£
Depreciation in excess of capital allowances	(161,894)	(214,896)	(376,790)
Short term timing differences	-	-	-
Recognised losses	2,133,410	(135,776)	2,269,186
<b>Total</b>	1,971,516	(79,120)	1,892,396

Deferred tax movement during the prior year:

	At 1 July 2018	Recognised in income	At 30 June 2019
	£	£	£
Depreciation in excess of capital allowances	67,006	(228,900)	(161,894)
Short term timing differences	42,802	(42,802)	-
Recognised losses	259,961	1,873,449	2,133,410
<b>Total</b>	369,769	1,601,747	1,971,516

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12. Taxation (continued)**

**Company**

**2020**

Tax losses carry-forward

**Asset  
£**

1,506

**2019**

Tax losses carry-forward

**Asset  
£**

1,506

Deferred tax movement during year:

	<b>At 1 July 2019 £</b>	<b>Recognised in income £</b>	<b>At 30 June 2020 £</b>
Tax losses carry-forward	<u>1,506</u>	<u>-</u>	<u>1,506</u>

Deferred tax movement during the prior year:

	<b>At 1 July 2018 £</b>	<b>Recognised in income £</b>	<b>At 30 June 2019 £</b>
Tax losses carry-forward	<u>1,507</u>	<u>(1)</u>	<u>1,506</u>

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**13. Property, plant and equipment**

<b>Group</b>	<b>Furniture, fittings and equipment £</b>	<b>Other property, plant and equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
<b>At 1 July 2018</b>	212,891	275,353	<b>488,244</b>
Additions	8,298	59,600	<b>67,898</b>
Disposals	(23,637)	-	<b>(23,637)</b>
<b>At 30 June 2019</b>	<u>197,552</u>	<u>334,953</u>	<b>532,505</b>
Additions	28,629	105,526	<b>134,155</b>
Disposals	-	-	-
<b>At 30 June 2020</b>	<u>226,181</u>	<u>440,479</u>	<b>666,660</b>
<b>Depreciation</b>			
<b>At 1 July 2018</b>	102,031	169,424	<b>271,455</b>
Charge for the year	21,253	49,634	<b>70,887</b>
Eliminated on disposal	(21,696)	-	<b>(21,696)</b>
<b>At 30 June 2019</b>	<u>101,588</u>	<u>219,058</u>	<b>320,646</b>
Charge for the year	17,018	57,740	<b>74,758</b>
Eliminated on disposal	-	-	-
<b>At 30 June 2020</b>	<u>118,606</u>	<u>276,798</u>	<b>395,404</b>
<b>Carrying amount</b>			
<b>At 30 June 2019</b>	<u>95,964</u>	<u>115,895</u>	<b>211,859</b>
<b>At 30 June 2020</b>	<u>107,575</u>	<u>163,681</u>	<b>271,256</b>

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14. Intangible assets**

<b>Group</b>	<b>Internally generated software development costs £</b>	<b>Other intangible assets £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
<b>At 1 July 2018</b>	2,680,186	63,660	<b>2,743,846</b>
Additions	683,242	-	<b>683,242</b>
Disposals	-	-	-
<b>At 30 June 2019</b>	<u>3,363,428</u>	<u>63,660</u>	<u><b>3,427,088</b></u>
Additions	784,730	-	<b>784,730</b>
Disposals	-	-	-
<b>At 30 June 2020</b>	<u>4,148,158</u>	<u>63,660</u>	<u><b>4,211,818</b></u>
<b>Amortisation</b>			
<b>At 1 July 2018</b>	668,997	63,656	<b>732,653</b>
Charge for the year	536,039	4	<b>536,043</b>
Eliminated on disposal	-	-	-
<b>At 30 June 2019</b>	<u>1,205,036</u>	<u>63,660</u>	<u><b>1,268,696</b></u>
Charge for the year	672,686	-	<b>672,686</b>
Eliminated on disposal	-	-	-
<b>At 30 June 2020</b>	<u>1,877,722</u>	<u>63,660</u>	<u><b>1,941,382</b></u>
<b>Carrying amount</b>			
<b>At 30 June 2019</b>	<u>2,158,392</u>	<u>-</u>	<u><b>2,158,392</b></u>
<b>At 30 June 2020</b>	<u>2,270,436</u>	<u>-</u>	<u><b>2,270,436</b></u>

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**15. Other current financial liabilities**

<b>Company</b>	<b>2020</b>	<b>2019</b>
<b>Other current financial liabilities</b>		
Loan from subsidiaries	<u>660,242</u>	<u>19,283</u>

Amounts due to subsidiaries are repayable on demand. There is no interest charged on loans to group undertakings.

**16. Trade and other receivables**

	<b>2020 Group</b>	<b>2019 Group</b>	<b>2020 Company</b>	<b>2019 Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade receivables	<b>2,478,375</b>	2,541,215	-	-
Provision for impairment of trade receivables	<b>(108,610)</b>	-	-	-
Net trade receivables	<b>2,369,765</b>	2,541,215	-	-
Prepayments	<b>330,386</b>	316,902	-	-
Other receivables	<b>176,752</b>	86,895	-	-
Accrued income	<b>185,158</b>	197,458	-	-
Income tax asset	<b>37,292</b>	37,292	-	-
Total current trade and other receivables	<b><u>3,099,353</u></b>	<u>3,179,762</u>	<u>-</u>	<u>-</u>

The fair value of those trade and other receivables are not materially different from the carrying value.

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. Receivables over 365 days are considered to be past due as per the below.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Trade and other receivables (continued)**

**Age of trade receivables that are past due but not impaired**

	<b>2020 Group</b>	<b>2019 Group</b>	<b>2020 Company</b>	<b>2019 Company</b>
	£	£	£	£
91 to 120 days	127,465	87,759	-	-
4 to 6 months	165,066	1,800	-	-
6 months to 1 year	73,612	31,219	-	-
Over 1 year	143,508	86,765	-	-
	<u>509,651</u>	<u>207,543</u>	<u>-</u>	<u>-</u>

As at 30 June 2020, trade receivables were considered for impairment under IFRS 9 with no additional expected losses for 2020 trade receivables.

During the period, the company made £108,610 provisions against specific trade receivables (2019: £78,345) with all remaining amount expected to be fully recoverable. The individual impaired receivables mainly relate to customers who are in difficult economic situations. The creation and release of any provisions for impaired receivables have been included in general expense within 'operating costs' in the consolidated income statement. The Group is not exposed to significant foreign exchange risk as the majority of trade and other receivables are denominated in Sterling. Additional disclosure on credit risk management is included in note 23.

**17. Loan and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	£	£	£	£
<b>Non-current loans and borrowings</b>				
Other borrowings	-	250,000	-	250,000
	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	£	£	£	£
<b>Current loans and borrowings</b>				
Other borrowings	-	240,000	-	240,000
	<u>-</u>	<u>240,000</u>	<u>-</u>	<u>240,000</u>

The loan from R20 Limited had 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 carried a charge of 4% per annum thereafter. The loan was repaid in full during 2020. There was 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.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**18. Commitments under leases and hire purchase contracts**

**Group**

**Operating leases**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Within one year	<b>459,833</b>	315,262
In two to five years	<u><b>169,733</b></u>	<u>105,479</u>
	<u><b>629,566</b></u>	<u>420,741</u>

The group has adopted IFRS 16 Leases for the first time in the year ended 30 June 2020. In accordance with IFRS 16, the company has reviewed its underlying lease agreements and concluded that the assets leased do not meet the recognition criteria for capitalisation as a right of use asset. Accordingly, there are no adjustments required as a result of the transition to IFRS16.

**19. Trade and other payables**

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Trade payables	281,317	184,308	14,174	2,594
Accrued expenses	504,107	566,313	11,111	37,030
Other taxes and social security	592,317	607,732	-	874
Other payables	18,944	25,917	-	17,759
	<u><b>1,396,685</b></u>	<u>1,384,270</u>	<u><b>25,285</b></u>	<u>58,257</u>

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.

**20. Pensions and other schemes**

***Defined contribution plan***

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 £139,379 (2019 - £84,091).

There were £10,389 outstanding contributions within the creditors balance at the 30 June 2020 in relation to the pension scheme (2019 - £6,536).

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**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 granted options is 1p per ordinary share. Options are exercisable on disposal or flotation of the company or upon board approval. There is a ten year option exercise period from the grant dates of 2011 and 2018. 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 (2019 - £nil).

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

	<b>2020 No.</b>	<b>2019 No.</b>
Outstanding, start of period	10,120,711	13,970,711
Exercised in the year	-	(5,000,000)
Lapsed in the year	(2,500,000)	(100,000)
New issues	-	1,250,000
Outstanding, end of period	<u>7,620,711</u>	<u>10,120,711</u>

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 (2019 - £0.01).

**Outstanding share options**

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

	<b>2020</b>	<b>2019</b>
Number of share options outstanding	7,620,711	10,120,711
Expected weighted average remaining life (years)	<u>2.50</u>	<u>3.00</u>

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

In line with IFRS 2 and for the purpose 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



**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**22. Share capital**

**Allotted, called up and fully paid shares**

	<b>2020</b>		<b>2019</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
New ordinary shares of £0.01 each	<b>15,291,063</b>	<b>152,911</b>	15,291,063	152,911
New B shares of £0.01 each	<b>10,958,501</b>	<b>109,585</b>	10,958,501	109,585
Deferred shares of £0.99 each	<b>18,749,564</b>	<b>18,562,068</b>	18,749,564	18,562,068
	<b>44,999,128</b>	<b>18,824,564</b>	44,999,128	18,824,564

On 04 August 2020, the Group authorised the issuance of 2,500,000 new ordinary B shares with a value of £0.01. The new shares have the same rights, restrictions, and references as the old shares.

The company's authorised share capital is 47,499,128 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

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 right, preferences and restrictions:

Deferred shares have no voting or attendance rights. Deferred shares have no right to receive dividends. On 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 £1,000,000.

## Asite Limited

### Annual Report and Consolidated Financial Statements For the year ended 30 June 2020

#### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 23. Financial instruments

Investments, financial assets and liabilities, cash and cash equivalents and other interest-bearing loans and borrowings are measured at amortised costs and the Directors believe their present value is reasonable approximation of their fair value.

#### Risk management

##### Group

The board is charged with managing the various risk exposures.

The group is exposed to the following financial risks

- Credit Risk
- Foreign exchange risk
- Interest rate risk
- Liquidity risk

#### Accounting Classification

The following table shows the carrying amounts and fair values of financial assets of financial liabilities. It does not include the fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value.

Carrying amount	2020 £	2019 £
<b><i>Financial assets not measured at fair value</i></b>		
Trade and other receivables (note 16)	3,099,353	3,179,761
Cash and cash equivalents	4,878,397	3,434,058
<b><i>Financial liabilities measured at amortised cost</i></b>		
Other interest-bearing loans and borrowing (note 17)	-	490,000
Trade and other creditors (note 19)	1,396,685	1,384,270

#### Credit risk

Financial assets past due but not impaired are disclosed in note 16 'Trade and other receivables'.

The maximum exposure to credit risk as at 30 June 2020 was £2,369,765 (2019 - £2,541,215).

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 to financial institutions, the group does have significant cash deposits, however the Board believes this risk to be minimal.

The Group applies IFRS 9 for recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

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.

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***Financial instruments (continued)***

**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 overseas mean currency exposures arise. The group hedges against these currency risks. Accordingly the board believes that the currency exposure on translation is minimal.

**Interest rate risk**

Loans advanced to the Group by R20 Limited incurred interest at a rate of 4% per annum. The Group did not envisage hedging against this risk. Accordingly, the Group believes that the interest rate risk to which the Group is exposed is minimal. These loans were repaid in full during 2020.

**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. To achieve this aim, it seeks to maintain cash balances to meet expected cash requirements.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross, not discounted and include contractual interest payments and exclude the impact of netting agreements.

	Carrying amount	1 year or less	1 to < 2 years	2 to < 5 years	5 years and over	Carrying amount
<b>Non-derivative financial liabilities</b>						
Other interest-bearing loans and borrowings (note 17)	-	-	-	-	-	-
Trade and other creditors (note 19)	1,396,685	1,396,685	-	-	-	-

**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 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 to reduce debt.

Consistent with other 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 borrowing" less cash and cash equivalents. Total capital is calculated as "equity" as shown in the Consolidated Statement of Financial Position plus net debt.

**24. Contingent liabilities**

**Group and company**

The Group does not have any contingent liabilities (2019 - £nil).

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**25. Related party transactions**

**Group**

**Key management personnel**

Directors.

**Transaction with key management personnel**

Key management compensation has been disclosed in note 9 Directors' remuneration.

Other transactions with key management personnel are detailed below.

	2020 £	2019 £
Key management purchase of share options	-	50,000
Rentals payable	21,600	-
Commercial trade receivable	<u>12,960</u>	<u>12,960</u>

**Summary of transactions with other related parties**

Transactions with companies in which the directors of Asite Ltd are shareholders and directors are detailed below:

	Sales to		Administrative expenses incurred from	
	2020 £	2019 £	2020 £	2019 £
SaaS Africa	-	-	-	61,286
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
			Receivables outstanding	
			2020 £	2019 £
SaaS Africa			-	202
			<u>          </u>	<u>          </u>

**Asite Limited**

**Annual Report and Consolidated Financial Statements  
For the year ended 30 June 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Related party transactions (continued)**

**Loans from related parties**

Loans from related parties are amounts outstanding with R20 Limited as detailed below:

		R20 Limited £
<b>2020</b>		
At start of period		490,000
Repaid		(504,761)
Interest charged		14,761
At end of period		-
		-
		R20 Limited £
<b>2019</b>		
At start of period		730,000
Repaid		(264,757)
Interest charged		24,757
At end of period		490,000
		490,000
<b>Company</b>		
<b>Loans to/(from) related parties</b>		
	<b>2020</b>	<b>2019</b>
	£	£
Asite Solutions Limited	(695,722)	(54,763)
Asite Solutions Private Limited	35,480	35,480
	(660,242)	(19,283)

**26. Capital Commitments**

**Group and company**

The total amount contracted for but not provided in the financial statements was £Nil (2019 - £Nil).

**27. Parent and ultimate parent undertaking**

The ultimate controlling party is the Tchenguiz Discretionary Trust.

There is no intermediate controlling party as the ultimate controlling party holds its shares through a variety of different investments.