

Company Registration No. 05872094 (England and Wales)

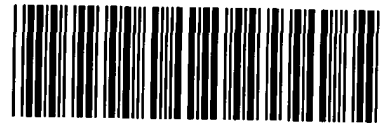
INVENIO BUSINESS SOLUTIONS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

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tc accounts · tax · legal · financial planning

Century House
Wargrave Road
Henley-on-Thames
RG9 2LT

INVENIO BUSINESS SOLUTIONS LIMITED

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INVENIO BUSINESS SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Mr. M Goyal Mr. A Balasubramaniam
Company number	05872094
Registered office	Unit 125 Wharfedale Road IQ Winnersh Wokingham Berkshire United Kingdom RG41 5RB
Auditor	TC Group Century House Wargrave Road Henley-on-Thames RG9 2LT

INVENIO BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Fair review of the business

The group and company's principal activity during the year continued to be that of business and system consulting and undertaking the implementation and support of Enterprise Resource Planning software. Additionally, the company continued its investments in research and development of new re-saleable and re-deployable software solutions. Further, the group and company continued selling software licences as authorised reselling partners for various software products. The group expects to continue with these software sales and development initiatives primarily in the existing 3 domains of Public Sector, Media and Manufacturing & Logistics. However, it is expected that the scale of operations would continue to grow.

During the year, the Group grew its Tax Revenue Management (TRM) business with contracts in Fiji, Bahrain, Qatar and Saudi. In the coming year the Group is looking to leverage this sector expertise, especially in the Middle East region.

The Group consolidated its position as a provider of deep sector expertise in Manufacturing & Logistics with accounts such as Kuehne & Nagel, XP Power & Johnson Matthey and Media with accounts such as Universal Music, The Random House Group and BBC.

During the year the Group attracted £11.5M investment from The Business Growth Fund (BGF) to help prepare the business for its next stage of growth.

To support the ambitious growth plans the company has strengthened its board with the addition of Geoff Neville as Non-Exec Chairman and Alex Snodgrass from (BGF). The management team has also been strengthened with Dave Manning taking over as the Chief Operating Officer and Bipin Pendyala as Chief Human Resources Officer.

Key Performance Indicators

During the year, the company managed to record a very strong growth in Turnover, which increased by 29% from £25.5M in 2018 to £33.0M in 2019, while the gross profit for the year increased from £15.3M in 2018 to £20.7M in 2019.

Operating Profit grew by 6% from £7.1M in 2018 to £7.5M in 2019.

The group balance sheet has strengthened as a result of the increased profits.

Employees

The Company has continued to invest in its employees and grow its employee base worldwide. The number of employees for the group increased by 55% from 468 in 2018 to 727 in 2019.

Principle Risks and Uncertainties

The principal risk for the company has been identified as continuing to manage its growth. The company needs to be agile in recruitment and skilling of resources for very niche skillsets.

Further, the outcome of Brexit remains unclear. There is still some uncertainty which may impact future decisions. However, the customers are well diversified across the globe, this risk in all probability will mitigate itself and not have a substantial impact on the business.

INVENIO BUSINESS SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Future Developments

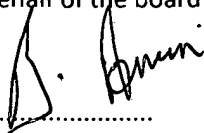
The strategic focus going forward will continue to be on the following areas:

1. Tax and Revenue Management Services will be our key competency domain.
2. Increased growth in the Middle East market.
3. Additional focus on Digital Supply Chain opportunities.
4. Reusable Product and Solutions development initiatives.
4. US and North American markets

While doing all the above, the mission of the group continues to put utmost focus on the customers and other business partners so that there is mutual value creation in the relationships.

The group also believes in maintaining the highest standards in terms of the Corporate Governance.

On behalf of the board



.....
Mr. A Balasubramaniam

Director

23-Oct-19

INVENIO BUSINESS SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company continued to be that of business and system consulting and undertaking the implementation and support of Enterprise Resource Planning software. Additionally, the company continued its investments in research and development of new re-saleable and re-deployable software solutions. Further, the company continued selling software licences as authorised reselling partners for various software products.

Directors

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

Mr. P Bhattacharya	(Resigned 5 March 2019)
Mr. M Goyal	
Mr. A Balasubramaniam	

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £767,835. The directors do not recommend payment of a further dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

The auditor, TC Group, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

INVENIO BUSINESS SOLUTIONS LIMITED

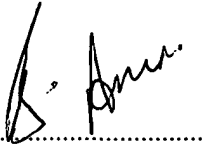
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019


Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr. A Balasubramaniam
Director



Mr. M Goyal
Director

23-Oct-19

INVENIO BUSINESS SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INVENIO BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INVENIO BUSINESS SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Invenio Business Solutions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INVENIO BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INVENIO BUSINESS SOLUTIONS LIMITED

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.

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 our audit:

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

Matters on which we are required to report by exception

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

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

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

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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

INVENIO BUSINESS SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INVENIO BUSINESS SOLUTIONS LIMITED

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Michelle Hewitt-Dutton FCCA (Senior Statutory Auditor)
for and on behalf of TC Group

Statutory Auditor
Office: Henley-on-Thames

Date: 23-Oct-19

INVENIO BUSINESS SOLUTIONS LIMITED**GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2019**

		2019	2018
	Notes	£	as restated £
Turnover	3	32,950,298	25,500,791
Cost of sales		(12,254,521)	(10,199,471)
		<hr/>	<hr/>
Gross profit		20,695,777	15,301,320
Administrative expenses		(13,253,420)	(8,250,183)
Other operating income		74,605	31,825
		<hr/>	<hr/>
Operating profit	4	7,516,962	7,082,962
Interest receivable and similar income	8	24,770	80,131
Interest payable and similar expenses	9	-	(12,028)
		<hr/>	<hr/>
Profit before taxation		7,541,732	7,151,065
Taxation	10	(824,530)	(1,614,340)
		<hr/>	<hr/>
Profit for the financial year		<u>6,717,202</u>	<u>5,536,725</u>

Profit for the financial year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

The notes on pages 20 to 42 form part of these financial statements

INVENIO BUSINESS SOLUTIONS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Profit for the year	6,717,202	5,536,725
	<u> </u>	<u> </u>
Other comprehensive income		
Actuarial gain/(loss) on gratuity plan	95,108	(205,727)
Currency translation differences	231,321	(283,329)
Tax relating to other comprehensive income	(10,741)	160,300
	<u> </u>	<u> </u>
Other comprehensive income for the year	315,688	(328,756)
	<u> </u>	<u> </u>
Total comprehensive income for the year	7,032,890	5,207,969
	<u> </u>	<u> </u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

INVENIO BUSINESS SOLUTIONS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2019

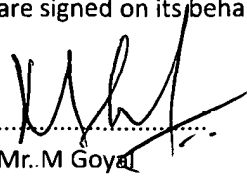
	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		2,665,026		310,124
Investments	13		-		174,801
			<u>2,665,026</u>		<u>484,925</u>
Current assets					
Debtors	16	20,989,940		14,617,414	
Cash at bank and in hand		2,677,646		3,727,808	
		<u>23,667,586</u>		<u>18,345,222</u>	
Creditors: amounts falling due within one year	17	<u>(6,595,681)</u>		<u>(5,419,481)</u>	
Net current assets			<u>17,071,905</u>		<u>12,925,741</u>
Total assets less current liabilities			<u>19,736,931</u>		<u>13,410,666</u>
Provisions for liabilities	19		<u>(6,608)</u>		<u>(9,015)</u>
Net assets excluding gratuity fund actuarial valuation			<u>19,730,323</u>		<u>13,401,651</u>
Gratuity fund actuarial valuation	22		<u>(514,499)</u>		<u>(484,832)</u>
Net assets			<u><u>19,215,824</u></u>		<u><u>12,916,819</u></u>
Capital and reserves					
Called up share capital	21		76,784		76,000
Profit and loss reserves			<u>19,139,040</u>		<u>12,840,919</u>
Equity attributable to owners of the parent company			<u>19,215,824</u>		<u>12,916,919</u>
Non-controlling interests			<u>-</u>		<u>(100)</u>
			<u><u>19,215,824</u></u>		<u><u>12,916,819</u></u>

INVENIO BUSINESS SOLUTIONS LIMITED

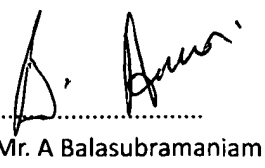
GROUP BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

The financial statements were approved by the board of directors and authorised for issue on 23-Oct-19 and are signed on its behalf by:


.....
Mr. M Goyal

Director


.....
Mr. A Balasubramaniam

Director

The notes on pages 20 to 42 form part of these financial statements

INVENIO BUSINESS SOLUTIONS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		34,779		47,448
Investments	13		390,122		389,122
			<u>424,901</u>		<u>436,570</u>
Current assets					
Debtors	16	15,291,864		13,482,848	
Cash at bank and in hand		1,933,311		1,235,319	
		<u>17,225,175</u>		<u>14,718,167</u>	
Creditors: amounts falling due within one year	17	<u>(4,974,443)</u>		<u>(5,330,267)</u>	
Net current assets			<u>12,250,732</u>		<u>9,387,900</u>
Total assets less current liabilities			<u>12,675,633</u>		<u>9,824,470</u>
Provisions for liabilities	19		<u>(6,608)</u>		<u>(9,015)</u>
Net assets			<u>12,669,025</u>		<u>9,815,455</u>
Capital and reserves					
Called up share capital	21		76,784		76,000
Profit and loss reserves			12,592,241		9,739,455
Total equity			<u>12,669,025</u>		<u>9,815,455</u>

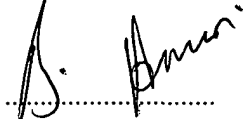
INVENIO BUSINESS SOLUTIONS LIMITED

COMPANY BALANCE SHEET (CONTINUED)

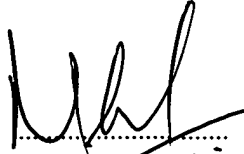
AS AT 31 MARCH 2019

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,587,555 (2018 - £3,900,803 profit).

The financial statements were approved by the board of directors and authorised for issue on 23-Oct-19 and are signed on its behalf by:



.....
Mr. A Balasubramaniam
Director



.....
Mr. M Goyal
Director

Company Registration No. Company Registration No. 05872094

The notes on pages 20 to 42 form part of these financial statements

INVENIO BUSINESS SOLUTIONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Share premium account	Share loss reserves	Profit and loss	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£	£
Balance at 1 April 2017	7,600	15,100	7,686,250	7,708,950	(100)	7,708,850	
Year ended 31 March 2018:							
Profit for the year	-	-	5,536,725	5,536,725	-	5,536,725	
Other comprehensive income:							
Actuarial gains on defined benefit plans	-	-	(205,727)	(205,727)	-	(205,727)	
Currency translation differences	-	-	(283,329)	(283,329)	-	(283,329)	
Tax relating to other comprehensive income	-	-	160,300	160,300	-	160,300	
Total comprehensive income for the year	-	-	5,207,969	5,207,969	-	5,207,969	
Bonus issue of shares	21	68,400	(15,100)	(53,300)	-	-	
Balance at 31 March 2018	76,000	-	12,840,919	12,916,919	(100)	12,916,819	

INVENIO BUSINESS SOLUTIONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Share premium account	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£
Year ended 31 March 2019:						
Profit for the year	-	-	6,717,202	6,717,202	-	6,717,202
Other comprehensive income:						
Actuarial gains on defined benefit plans	-	-	95,108	95,108	-	95,108
Currency translation differences on overseas subsidiaries	-	-	231,321	231,321	-	231,321
Tax relating to other comprehensive income	-	-	(10,741)	(10,741)	-	(10,741)
Total comprehensive income for the year	-	-	7,032,890	7,032,890	-	7,032,890
Bonus issue of shares	21	784	(784)	-	-	-
Dividends	11	-	(767,835)	(767,835)	-	(767,835)
Credit to equity for equity settled share-based payments	20	-	33,850	33,850	-	33,850
Other movements	-	-	-	-	100	100
Balance at 31 March 2019		76,784	19,139,040	19,215,824	-	19,215,824

INVENIO BUSINESS SOLUTIONS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Share premium loss account £	Profit and loss reserves £	Total £
Balance at 1 April 2017		7,600	15,100	5,891,952	5,914,652
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	3,900,803	3,900,803
Bonus issue of shares	21	68,400	(15,100)	(53,300)	-
Balance at 31 March 2018		76,000	-	9,739,455	9,815,455
Year ended 31 March 2019:					
Profit and total comprehensive income for the year		-	-	3,587,555	3,587,555
Bonus issue of shares	21	784	-	(784)	-
Dividends	11	-	-	(767,835)	(767,835)
Credit to equity for equity settled share-based payments	20	-	-	33,850	33,850
Balance at 31 March 2019		76,784	-	12,592,241	12,669,025

The notes on pages 20 to 42 form part of these financial statements

INVENIO BUSINESS SOLUTIONS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	30	2,273,997		3,079,633	
Interest paid		-		(12,028)	
Income taxes paid		(471,128)		(571,159)	
Net cash inflow from operating activities		1,802,869		2,496,446	
Investing activities					
Proceeds on disposal of intangibles		11,412		-	
Purchase of tangible fixed assets		(2,545,827)		(126,725)	
Proceeds on disposal of tangible fixed assets		19,420		2,835	
Proceeds on disposal of fixed asset investments		174,801		(174,801)	
Proceeds from other investments and loans		-		320,493	
Interest received		24,770		80,131	
Net cash (used in)/generated from investing activities		(2,315,424)		101,933	
Financing activities					
Repayment of bank loans		-		(211,829)	
Dividends paid to equity shareholders		(767,835)		-	
Net cash used in financing activities		(767,835)		(211,829)	
Net (decrease)/increase in cash and cash equivalents		(1,280,390)		2,386,550	
Cash and cash equivalents at beginning of year		3,727,808		1,596,699	
Effect of foreign exchange rates		230,228		(255,441)	
Cash and cash equivalents at end of year		2,677,646		3,727,808	

The notes on pages 20 to 42 form part of these financial statements

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Invenio Business Solutions Limited (“the company”) is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 125 Wharfedale Road, Winnersh, Wokingham, Berkshire, United Kingdom, RG41 5RB.

The group consists of Invenio Business Solutions Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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

- Section 4 ‘Statement of Financial Position’ – Reconciliation of the opening and closing number of shares;
- Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Invenio Business Solutions Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of licences is recognised when the significant risks and rewards of ownership of the licence have passed to the buyer (usually on sale of the licence), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

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

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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

Fixtures, fittings & equipment	20% straight line
Computer equipment	33% straight line
Motor vehicles	12.5% straight line

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

1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

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

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

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

Basic financial assets

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

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Classification of financial liabilities

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

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1.8 Equity instruments

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

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

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

1 Accounting policies

(Continued)

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under the Gratuity plan is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net gratuity plan liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net gratuity plan by the discount rate, taking into account any changes in the net gratuity plan liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net gratuity plan liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

1.12 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

1.13 Leases

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

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.15 Research and development costs

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Impairment of debtors

The company determines whether there are any indicators of impairment of the groups trade debtors. Factors taken into consideration in reaching such a decision include, the level of completion of the assignment, the discussions held with the client to date, and other contra indicators to full recoverability of the contract.

Accrued income

The group and company enters in to long term contracts with its customers. The group and company recognises revenue, and therefore profit, on service contracts in progress at the year-end where reasonable confidence can be taken in the profitable completion.

At the year-end, professional judgement is applied, by the directors, in reviewing the milestones completed on each project, to determine the revenue that should be recognised in the current year and the amount to be carried forward. Where a milestone has not been reached, and a large proportion of work has been completed, revenue is accrued.

The review of the completion and billing continues to be reviewed on a monthly basis, with any variances being released to the profit and loss as they arise.

INVENIO BUSINESS SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****3 Turnover and other revenue**

An analysis of the group's turnover is as follows:

	2019	2018
	£	£
Turnover analysed by class of business		
Consulting	31,272,691	22,338,255
Products	1,677,607	3,162,536
	<u>32,950,298</u>	<u>25,500,791</u>

	2019	2018
	£	£
Other significant revenue		
Interest income	24,770	80,131
	<u>24,770</u>	<u>80,131</u>

	2019	2018
	£	£
Turnover analysed by geographical market		
United Kingdom	12,552,298	12,248,909
Rest of EU	192,000	184,562
Rest of world	20,206,000	13,067,320
	<u>32,950,298</u>	<u>25,500,791</u>

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(296,491)	(44,997)
Depreciation of owned tangible fixed assets	172,697	112,562
Profit on disposal of intangible assets	(11,412)	-
Operating lease charges	853,750	578,799
	<u>853,750</u>	<u>578,799</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £296,491 (2018 - £44,997).

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	21,670	19,700
	<u>21,670</u>	<u>19,700</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group	2018	Company	2018
	2019	2018	2019	2018
	Number	Number	Number	Number
Delivery Management	621	416	36	30
Corporate	70	44	11	7
Sales and Marketing	36	8	10	8
	<u>727</u>	<u>468</u>	<u>57</u>	<u>45</u>

Their aggregate remuneration comprised:

	Group	2018	Company	2018
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	12,430,179	7,991,998	3,933,916	3,032,321
Social security costs	450,244	999,352	450,244	312,648
Pension costs	22,911	6,219	22,911	6,219
	<u>12,903,334</u>	<u>8,997,569</u>	<u>4,407,071</u>	<u>3,351,188</u>

The costs in Note 21 in relation to retirement benefit schemes do not form part of the figures disclosed above.

7 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	828,118	174,000
	<u>828,118</u>	<u>174,000</u>

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019	2018
	£	£
Remuneration for qualifying services	346,000	96,000

8 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	-	42,992
Other interest income	24,770	37,139
Total income	24,770	80,131

9 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and loans	-	12,028

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	1,558,681	1,442,248
Adjustments in respect of prior periods	(731,744)	13,226
Total current tax	826,937	1,455,474
Deferred tax		
Origination and reversal of timing differences	(2,407)	158,866
Total tax charge for the year	824,530	1,614,340

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

10 Taxation

(Continued)

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

	2019	2018
	£	£
Profit before taxation	7,541,732	7,151,065
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	1,432,929	1,358,702
Tax effect of expenses that are not deductible in determining taxable profit	32,016	2,062
Tax effect of utilisation of tax losses not previously recognised	-	(12,563)
Effect of local tax rate	97,244	58,540
Double tax relief	(5,915)	-
Under/(over) provided in prior years	-	207,599
R&D	(731,744)	-
Taxation charge for the year	824,530	1,614,340

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2019	2018
	£	£
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	10,741	(160,300)

Tax adjustments in respect of prior year, relate to enhanced R&D deductions in relation to 2016/2017 and 2017/2018.

11 Dividends

	2019	2018
	£	£
Interim paid	767,835	-

On the 5 July 2018 a dividend of £1 per share was declared and approved by the board. Of the dividends declared, a total of £503,035 was payable to the directors of the company.

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Tangible fixed assets

Group	Assets under construction	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2018	-	332,634	630,830	14,314	977,778
Additions	1,660,050	512,179	342,057	31,541	2,545,827
Disposals	-	(9,655)	(375,990)	-	(385,645)
Exchange adjustments	-	2,073	5,930	144	8,147
At 31 March 2019	1,660,050	837,231	602,827	45,999	3,146,107
Depreciation and impairment					
At 1 April 2018	-	192,321	471,998	3,334	667,653
Depreciation charged in the year	-	72,949	95,075	4,673	172,697
Eliminated in respect of disposals	-	(8,960)	(357,265)	-	(366,225)
Exchange adjustments	-	578	6,344	34	6,956
At 31 March 2019	-	256,888	216,152	8,041	481,081
Carrying amount					
At 31 March 2019	1,660,050	580,343	386,675	37,958	2,665,026
At 31 March 2018	-	140,312	158,832	10,980	310,124

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Tangible fixed assets

(Continued)

Company	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 1 April 2018	153,820	40,132	193,952
Additions	-	28,042	28,042
At 31 March 2019	153,820	68,174	221,994
Depreciation and impairment			
At 1 April 2018	120,131	26,373	146,504
Depreciation charged in the year	30,764	9,947	40,711
At 31 March 2019	150,895	36,320	187,215
Carrying amount			
At 31 March 2019	2,925	31,854	34,779
At 31 March 2018	33,689	13,759	47,448

13 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	14	-	-	390,122	389,122
Listed investments		-	174,801	-	-
		-	174,801	390,122	389,122
Listed investments included above:					
Listed investments carrying amount		-	174,801	-	-

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Fixed asset investments	(Continued)
Movements in fixed asset investments	
Group	Investments other than loans £
Cost or valuation	
At 1 April 2018	174,801
Disposals	(174,801)
	<hr/>
At 31 March 2019	-
	<hr/>
Carrying amount	
At 31 March 2019	-
	<hr/> <hr/>
At 31 March 2018	174,801
	<hr/> <hr/>
Movements in fixed asset investments	
Company	Shares in group undertakings £
Cost or valuation	
At 1 April 2018	389,122
Additions	1,000
	<hr/>
At 31 March 2019	390,122
	<hr/>
Carrying amount	
At 31 March 2019	390,122
	<hr/> <hr/>
At 31 March 2018	389,122
	<hr/> <hr/>

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Invenio Business Solutions DWC LLC	United Arab Emirates	Business and system consulting and implementation and support of Enterprise Resource Planning Software	Ordinary	100.00	
Invenio Business Solutions Fiji	Fiji	Business and system consulting and implementation and support of Enterprise Resource Planning Software	Ordinary		100.00
Invenio Business Solutions GMBH	Germany	Business and system consulting and implementation and support of Enterprise Resource Planning Software	Ordinary	100.00	
Invenio Business Solutions INC	USA	Business and system consulting and implementation and support of Enterprise Resource Planning Software	Ordinary	100.00	
Invenio Business Solutions Limited	Mauritius	Business and system consulting and implementation and support of Enterprise Resource Planning Software	Ordinary	100.00	
Invenio Business Solutions LLC	Saudi Arabia	Business and system consulting and implementation and support of Enterprise Resource Planning Software	Ordinary	80.00	20.00
Invenio Business Solutions Pvt Limited	India	Business and system consulting and implementation and support of Enterprise Resource Planning Software	Ordinary	100.00	

The investments in subsidiaries are all stated at cost.

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 April 2018 and 31 March 2019	26,451
Amortisation and impairment	
At 1 April 2018 and 31 March 2019	26,451
Carrying amount	
At 31 March 2019	-
At 31 March 2018	-

16 Debtors

	Group	2018	Company	2018
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	17,490,055	12,763,204	11,343,719	11,929,539
Corporation tax recoverable	-	8,915	-	-
Amounts owed by group undertakings	-	-	1,878,877	-
Other debtors	2,229,078	1,429,851	954,081	1,304,225
Prepayments and accrued income	1,115,187	249,084	1,115,187	249,084
	<u>20,834,320</u>	<u>14,451,054</u>	<u>15,291,864</u>	<u>13,482,848</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 19)	155,620	166,360	-	-
	<u>20,989,940</u>	<u>14,617,414</u>	<u>15,291,864</u>	<u>13,482,848</u>
Total debtors	<u>20,989,940</u>	<u>14,617,414</u>	<u>15,291,864</u>	<u>13,482,848</u>

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	2,124,521	2,499,009	879,299	2,185,596
Amounts owed to group undertakings	-	-	1,917,103	1,193,607
Corporation tax payable	1,363,926	1,017,031	286,437	780,152
Other taxation and social security	1,370,602	745,812	980,536	745,812
Other creditors	896,864	1,131,287	615,710	398,758
Accruals and deferred income	839,768	26,342	295,358	26,342
	<u>6,595,681</u>	<u>5,419,481</u>	<u>4,974,443</u>	<u>5,330,267</u>

18 Financial instruments

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	20,818,699	14,193,055	n/a	n/a
Equity instruments measured at cost less impairment	-	174,801	n/a	n/a
	<u>20,818,699</u>	<u>14,367,856</u>	<u>n/a</u>	<u>n/a</u>
Carrying amount of financial liabilities				
Measured at amortised cost	3,861,153	3,656,638	n/a	n/a
	<u>3,861,153</u>	<u>3,656,638</u>	<u>n/a</u>	<u>n/a</u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities	Assets	Assets
	2019	2018	2019	2018
Group	£	£	£	£
Accelerated capital allowances	6,608	9,015	-	6,060
Retirement benefit obligations	-	-	155,620	160,300
	<u>6,608</u>	<u>9,015</u>	<u>155,620</u>	<u>166,360</u>

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

19 Deferred taxation (Continued)

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Company				
Accelerated capital allowances	6,608	9,015	-	-
	<u>6,608</u>	<u>9,015</u>	<u>-</u>	<u>-</u>
			Group 2019 £	Company 2019 £
Movements in the year:				
Liability/(asset) at 1 April 2018			(157,345)	9,015
Charge/(credit) to profit or loss			8,333	(2,407)
			<u>(149,012)</u>	<u>6,608</u>
Liability/(asset) at 31 March 2019			<u>(149,012)</u>	<u>6,608</u>

The deferred tax asset set out above is expected to reverse in line with the change in the Gratuity plan obligation.

20 Share-based payment transactions

Equity instruments other than share options

During 2019, 7,835 of equity instruments other than share options were granted by Invenio Business Solutions Limited. The fair value of those instruments at the measurement date of 13 April 2018, was £4.32.

The fair value was based upon an independent report, dated 14 November 2017, which considered the valuation of the minority shares, based upon multiples observed within the industry.

21 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
- Ordinary A shares of 10p each	20,000	20,000
- Ordinary B shares of 10p each	56,784	56,000
	<u>76,784</u>	<u>76,000</u>

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

21 Share capital

(Continued)

On the 18 May 2018, 7,835 Ordinary A shares were issued at nil cost, to a director of the company, in respect of services to the company. The valuation of this issue, is included in the financial statements as a share based payment.

Ordinary A and Ordinary B shares are each entitled to one vote in any circumstance and rank pari passu in respect of dividends and distributions.

22 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	22,911	6,219
	<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Gratuity Plan

The group operates a Gratuity plan, in accordance with Indian law, for qualifying employees in Invenio Business Solutions PVT Ltd. Under the scheme the employees are entitled to retirement benefits at 0.5% of final salary once they have been with the firm for a period in excess of five years. No other post retirement benefits are provided.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019 by Thanawala Consultancy Services, Fellow of the Institute of Actuaries. The present value of the Gratuity plan obligation, the related current service cost and past service cost were measured using the projected unit credit method.

	2019	2018
<i>Key assumptions</i>	%	%
Discount rate	7%	7%
Expected rate of increase of pensions in payment	0%	0%
Expected rate of salary increases	10%	10%
	<u> </u>	<u> </u>

	2019	2018
<i>Mortality assumptions</i>	Years	Years
Assumed life expectations on retirement at age 65:		
Indian Assured Lives Mortality		
- Males	0.009944	0.009944
- Females	0.009944	0.009944
	<u> </u>	<u> </u>

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22 Retirement benefit schemes

(Continued)

	2019	2018
	£	£
<i>Amounts recognised in the profit and loss account</i>		
Current service cost	87,011	38,284
Other costs and income	37,028	49,913
	<u>124,039</u>	<u>88,197</u>
Total costs	<u>124,039</u>	<u>88,197</u>
	2019	2018
	£	£
<i>Amounts taken to other comprehensive income</i>		
Other gains and losses	(94,371)	168,464
	<u>(94,371)</u>	<u>168,464</u>

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

	2019	2018
	£	£
Group		
Present value of gratuity plan obligations	514,499	484,832
Deficit in scheme	514,499	484,832
	<u>514,499</u>	<u>484,832</u>

The company had no post employment benefits at 31 March 2019 or 1 April 2018.

	Group
	2019
	£
<i>Movements in the present value of the gratuity plan obligations</i>	
Liabilities at 1 April 2018	484,831
Current service cost	87,011
Past service cost	7,886
Other	(65,229)
	<u>514,499</u>
At 31 March 2019	<u>514,499</u>

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

23 Financial commitments, guarantees and contingent liabilities

At the year end, Invenio Business Solutions Limited had entered into a forward contract to purchase £5,000,000 for \$6,617,500 and 155,780,000 INR for £1,600,000 (2018: 24,750,000 SAR over a period of three months, for a total of £5,000,000).

The fair value of the contracts at 31 March 2019 was £6,528,975 (2017: £4,989,919).

Included within cash, is an amount of £475,000, which is held in escrow, by HSBC, in favour of the Ministry of Finance, Qatar. The amount is held in escrow and not available for use, until the earlier of, the contract completion, or the guarantee cessation on 21 October 2024.

An additional amount of £140,000, is held in escrow, by Ahli United Bank, in favour of the Ministry of Finance, Qatar. The amount is held in escrow and not available for use, until the earlier of, the contract completion, or the guarantee cessation on 30 June 2020.

On 5 March 2019, the new holding company Invenio Business Solutions Holdings Limited, entered into a new loan agreement with Barclays Bank PLC.

An amount of £15,900,000 was borrowed, which is secured by a cross guarantee and debenture with Invenio Business Solutions Limited. A fixed and floating charge is in place over all land and intellectual property owned by the company at any time.

In the event that the bank covenants were breached, Invenio Business Solutions Limited, would be liable for the debt.

24 Operating lease commitments

Lessee

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	780,712	517,256	53,526	53,526
Between two and five years	1,583,519	1,359,747	178,418	214,102
In over five years	160,385	324,638	-	17,842
	<u>2,524,616</u>	<u>2,201,641</u>	<u>231,944</u>	<u>285,470</u>

25 Capital commitments

Invenio Business Solutions Private Limited, has entered into a contract with Pratham Infratech Pvt. Limited, to construct new premises totaling INR 490,000,000, at the year end INR150,000,000, of costs to date had been incurred, and are disclosed as assets under construction in the financial statements.

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

26 Events after the reporting date

On 31 July 2019, Invenio Business Solutions Limited, acquired Proverbium Appsolutions Private Limited, a company incorporated in India for a purchase price of £400,000, plus 1,000 Invenio Business Solutions Holdings shares.

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation	944,035	301,600
	<u>944,035</u>	<u>301,600</u>

Invenio Business Solutions Limited has previously advanced monies totalling £919,585 (2018: £901,085) to a company associated by a mutual director. At the current and previous year end, this amount remained outstanding. The monies advanced are subject to interest at 5% per annum.

The monies loaned are personally guaranteed by a mutual director.

The group has taken advantage of the exemption allowed under s33.1A of FRS 102, not to disclose transactions with other wholly owned members of the group.

All transactions are considered to be on an arms length basis.

28 Controlling party

During the year the ultimate controlling parties were considered to be Mr. P Bhattacharya and Mr. M Goyal, on 5 March 2019, Mr P Bhattacharya ceased to be a controlling party.

The controlling party at this date became a newly incorporated holding company Invenio Business Solutions Holdings Limited.

The ultimate controlling party is Mr. M Goyal, by virtue of his shareholding in Invenio Business Solutions Holdings Limited.

29 As restated

The prior year cost of sales and administrative expense have been restated to allocate the overseas staff costs to cost of sales, where work is directly undertaken on the projects. The effect of this is to reduce administrative expenses and increase cost of sales by £5,218,710, there is no impact to the overall profit of the group or company.

INVENIO BUSINESS SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2019****30 Cash generated from group operations**

	2019	2018
	£	£
Profit for the year after tax	6,717,202	5,536,725
Adjustments for:		
Taxation charged	824,530	1,614,340
Finance costs	-	12,028
Investment income	(24,770)	(80,131)
Gain on disposal of intangible assets	(11,412)	-
Depreciation and impairment of tangible fixed assets	172,697	112,562
Pension scheme non-cash movement	124,776	50,934
Equity settled share based payment expense	33,850	-
Movements in working capital:		
(Increase) in debtors	(6,392,181)	(7,141,560)
Increase in creditors	829,305	2,974,735
Cash generated from operations	2,273,997	3,079,633