

Company Registration No. 05872094 (England and Wales)

**INVENIO BUSINESS SOLUTIONS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2021**



**verallo**

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

## INVENIO BUSINESS SOLUTIONS LIMITED

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**INVENIO BUSINESS SOLUTIONS LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Mr. A. Balasubramaniam Mr. S. Coxhead
<b>Company number</b>	05872094
<b>Registered office</b>	Unit 125 Wharfedale Road Winnersh Wokingham Berkshire RG41 5RB
<b>Auditor</b>	Verallo (formerly Taylorcocks Thames Valley LLP) Century House Wargrave Road Henley-on-Thames Oxfordshire RG9 2LT

## **INVENIO BUSINESS SOLUTIONS LIMITED**

### **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present the strategic report for the year ended 31 March 2021.

#### **Fair review of the business**

The Company's principal activity during the year continued to be the provision of SAP based consulting and solutions delivery. Invenio continues to be recognised as an SAP Gold Partner and is a global leader in Tax & Revenue Management (TRM). The Company is a key part of the wider Group now known as 'InvenioLSI'.

On 8 February 2021, the Group completed the acquisition of Labyrinth Solutions Inc (LSI). LSI are a fast-growing SAP consultancy operating primarily in the USA Public Sector market. This acquisition provides a significant footprint into the US and provides the opportunity to leverage cross sale opportunities with Invenio's Tax and Revenue Management and Media expertise in the US market and with the LSI's Government and Public Services expertise in the UK, Middle East and APAC markets. Notably, LSI's proprietary templated solutions using SAP for Government & educational institutions – GovOne and CampusOne, will be leveraged for the global markets. This is in addition to the margin synergies that can be leveraged through utilising Invenio's significant Indian pool of technical and consulting staff.

As part of the acquisition restructuring a large dividend was paid and a loan to a Group entity was provided. Further debt was arranged in the form of Loan notes from the Company's major investor & a new debt facility was put in place to fund the acquisition.

During the year, the Company continued to work with Tax authorities in Fiji, Bahrain & Qatar although the major revenue contributing projects in the prior year in Qatar and Fiji had lower activity levels. In the coming year the Company is looking to leverage this sector expertise to win further new business in the Middle East, APAC and other regions including UK & USA. The Company expects to focus on delivery of core solutions in the Public Sector, while leveraging the cross sale opportunities provided by the acquisition.

In Media & Entertainment, successful engagements continued with customers such as Universal Music, News UK, Penguin Random House and Dow Jones of the News Corp group. The LSI acquisition allows Invenio the opportunity to leverage this expertise in the sizable US Media market.

#### **Key Performance Indicators**

Revenue was £29.4M (FY20 £36.4M) with a Gross Profit of £8.2M (FY20 £9.2M). Operating profit was £2.7M (FY20 £2.9M). While revenue was down year on year, Operating profit was comparable. While UK contracts such as Qatar and Fiji were running down, material new business such as in the UAE were contracted with the local entity there.

#### **Employees**

The Company continued to invest in its employees and grow its employee base worldwide. The average monthly number of employees for the Group increased by 17% from 848 in 2020 to 989 in 2021. This will further increase in 2022 due to the full year effect of the acquisition.

#### **Principal Risks and Uncertainties**

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

Covid-19 has had some impact, on the Company's ability to grow, slowing down the pipeline in the Private Sector in particular. We have continued to successfully service our customers remotely however, and there has been no disruption in payments from customers because of Covid, therefore the impact to the business has been minimal.

As most of our business is outside of the EU, the effect of Brexit on the Company has also been minimal.

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**INVENIO BUSINESS SOLUTIONS LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**Future Developments**

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

1. Continue to leverage the dominant position with Implementation and support of Tax and Revenue Management Solutions for Tax Authorities
2. Continue to leverage the dominant position with Implementation of Public Sector offerings in the US
3. Leverage the synergies and cross sale opportunities afforded by the acquisition of LSI
4. Leverage the Invenio Media offerings and experience in the US Media market
5. Expand the footprint in existing Accounts and acquire new business with Digital offerings including Analytics, AI, Cloud, Security, Mobility & Portals
6. Increase our focus on Customer Satisfaction through our CRQ program

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

On behalf of the board



Mr. A. Balasubramaniam

**Director**

Date: 21/01/2022

## INVENIO BUSINESS SOLUTIONS HOLDINGS LIMITED

### S172 STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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### S172 STATEMENT

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long - term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC').

This S172 statement, explains how the Directors: have engaged with employees, suppliers, customers and others have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other stakeholders, and the effect of that regards, including on the principal decisions taken by the company during the financial year. The S172 statement focuses on matters of strategic importance to Invenio, and the level of information disclosed is consistent with the size and the complexity of the business. Invenio's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. When making decisions, each Director ensures that he acts in the way he considers are in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

- S172(1) (A) "THE LIKELY CONSEQUENCES OF ANY DECISION IN THE LONG TERM" The Directors understand the business and the evolving environment in which we operate, including the challenges of serving our existing Customers and winning new Customers and its related long-term impact on people, planet and profit. Based on Invenio's long term experience in the industry together with a strong willingness to further decrease its environmental footprint, the strategy set by the Board is intended to strengthen our position as a leading SAP Consulting Partner, while keeping safety and social responsibility fundamental to our business approach. In 2020, to help achieve all these strategic ambitions, the Board refreshed our strategy to further focus on developing our business. However, while investing for the future, the Board also recognises we must meet today's demand. The rising standard of living in many countries is likely to continue to drive demand for years to come. At the same time, technological changes and the need to tackle climate change mean there is a transition under way to change our approach while increasing customer satisfaction. The strategic ambitions have been set in that context with the objective to increase long - term value for all shareholders recognising that the long - term success of our business is dependent on our stakeholders and the external impact of our business activities on society. The Directors recognise how our operations are viewed by different parts of society and that some decisions they take today may not align with all stakeholder interests. Given the complexity of the business, the Directors have taken the decisions they believe best support Invenio's strategic ambitions.
- S172(1) (B) "THE INTERESTS OF THE COMPANY'S EMPLOYEES" The Directors recognise that Invenio's employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

## INVENIO BUSINESS SOLUTIONS HOLDINGS LIMITED

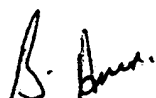
### S172 STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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- S172(1) (C) "THE NEED TO FOSTER THE COMPANY'S BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS" Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments and joint - venture partners. Invenio seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships and this alongside other standards are reviewed and approved by the Board periodically. The businesses continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics, for example, within the context of business strategy updates and investment proposals. Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged.
- S172(1) (D) "THE IMPACT OF THE COMPANY'S OPERATIONS ON THE COMMUNITY AND THE ENVIRONMENT" This aspect is inherent in our strategic ambitions, most notably on our ambitions to be a responsible employer and to sustain a strong social and environmental licence to operate. As such, the Board receives information on these topics to both provide relevant information for specific Board decisions and to provide ongoing overviews at the Invenio Group level.
- S172(1) (E) "THE DESIRABILITY OF THE COMPANY MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT" Invenio aims to meet the highest standards of business conduct. The Board periodically reviews and approves clear frameworks to ensure that its high standards are maintained both within Invenio's businesses and the business relationships we maintain. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards help assure its decisions are taken and that Invenio companies act in ways that promote high standards of business conduct.
- S172(1) (F) "THE NEED TO ACT FAIRLY AS BETWEEN MEMBERS OF THE COMPANY" After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long - term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned. The Board recognises that it has an important role in assessing and monitoring that our desired culture is embedded in the values, attitudes and behaviours we demonstrate, including in our activities and stakeholder relationships.

On behalf of the board



Mr. A Balasubramaniam  
Director

Date: 21/01/2022

## **INVENIO BUSINESS SOLUTIONS LIMITED**

### **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their financial statements for the year ended 31 March 2021.

#### **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.

#### **Results and dividends**

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

Ordinary dividends were paid amounting to £15,469,715. The directors do not recommend payment of a final dividend.

#### **Directors**

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

Mr. A. Balasubramaniam  
Mr. S. Coxhead

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 17 day's purchases, based on the average daily amount invoiced by suppliers during the year.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Verallo (formerly Taylorcocks Thames Valley LLP) be reappointed as auditor of the company will be put at a General Meeting.

#### **Corporate governance**

The company made the following donations in the current year:

- NHS - £10,721
- Crisis UK - £1,000

The company has not consumed more than 40,000kWh of energy within the UK.

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**INVENIO BUSINESS SOLUTIONS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**Statement of directors' responsibilities**

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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

**Statement of disclosure to auditor**

Each director in office at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board



Mr. A. Balasubramaniam  
**Director**

Date: 21/01/2022

**INVENIO BUSINESS SOLUTIONS LIMITED**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF INVENIO BUSINESS SOLUTIONS LIMITED**

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**Opinion**

We have audited the financial statements of Invenio Business Solutions Limited (the 'company') for the year ended 31 March 2021 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs; 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**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.

## **INVENIO BUSINESS SOLUTIONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF INVENIO BUSINESS SOLUTIONS LIMITED**

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#### **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 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## INVENIO BUSINESS SOLUTIONS LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF INVENIO BUSINESS SOLUTIONS LIMITED

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (IFRS and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit; and
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter, and detect fraud; and how senior management monitors those programmes and controls.

#### **Auditor's response to risks identified**

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included; testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of nondetection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls by management. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

**INVENIO BUSINESS SOLUTIONS LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF INVENIO BUSINESS SOLUTIONS LIMITED**

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**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.

*Verallo*

**Michelle Hewitt-Dutton FCCA (Senior Statutory Auditor)**

**For and on behalf of Verallo (formerly Taylorcocks Thames Valley LLP)**

**Statutory Auditor**

Date: 21/01/2022

Office: Henley-on-Thames

**INVENIO BUSINESS SOLUTIONS LIMITED**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2021**

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	Notes	2021 £	2020 £
Revenue	4	29,405,077	36,378,937
Cost of sales		(21,161,388)	(27,164,955)
<b>Gross profit</b>		<b>8,243,689</b>	<b>9,213,982</b>
Other operating income		801,012	290,168
Administrative expenses		(6,304,974)	(6,618,928)
<b>Operating profit</b>	5	<b>2,739,727</b>	<b>2,885,222</b>
Interest received	9	74,850	927,247
Finance costs	10	(488,880)	(89,979)
<b>Profit before taxation</b>		<b>2,325,697</b>	<b>3,722,490</b>
Income tax expense	11	(1,027,792)	(393,138)
<b>Profit and total comprehensive income for the year</b>		<b>1,297,905</b>	<b>3,329,352</b>

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The income statement has been prepared on the basis that all operations are continuing operations.

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

**The notes on pages 17 to 38 form part of these financial statements**

**INVENIO BUSINESS SOLUTIONS LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>Non-current assets</b>			
Property, plant and equipment	13	49,686	47,866
Right of use asset	13	82,662	123,993
Investments	14	379,230	411,160
Other receivables	17	5,334,675	-
		<u>5,846,253</u>	<u>583,019</u>
<b>Current assets</b>			
Trade and other receivables	16	24,940,787	23,433,424
Cash and cash equivalents		4,684,196	2,412,517
Current tax recoverable		322,246	548,119
		<u>29,947,229</u>	<u>26,394,060</u>
<b>Total assets</b>		<u>35,793,482</u>	<u>26,997,079</u>
<b>Current liabilities</b>			
Trade and other payables	18	6,694,626	9,703,366
Lease liabilities	20	53,526	53,526
Borrowings	19	4,903,228	2,000,000
		<u>11,651,380</u>	<u>11,756,892</u>
<b>Net current assets</b>		<u>18,295,849</u>	<u>14,637,168</u>
<b>Non-current liabilities</b>			
Borrowings	19	23,139,962	-
Deferred tax liabilities	22	9,095	9,095
Lease liabilities	20	99,525	145,762
		<u>23,248,582</u>	<u>154,857</u>
<b>Total liabilities</b>		<u>33,806,443</u>	<u>11,911,749</u>
<b>Net assets</b>		<u>893,520</u>	<u>15,065,330</u>

**INVENIO BUSINESS SOLUTIONS LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**

**AS AT 31 MARCH 2021**

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	Notes	2021 £	2020 £
<b>Non-current assets</b>			
<b>Equity</b>			
Called up share capital	23	76,784	76,784
Retained earnings		816,736	14,988,546
<b>Total equity</b>		<u>893,520</u>	<u>15,065,330</u>

The financial statements were approved by the board of directors and authorised for issue on 21/02/2022 and are signed on its behalf by:



Mr. A. Balasubramaniam  
Director

Company Registration No. 05872094

The notes on pages 17 to 38 form part of these financial statements

**INVENIO BUSINESS SOLUTIONS LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2021**

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	Share capital	Retained earnings	Total
	£	£	£
<b>Balance at 1 April 2019</b>	76,784	11,737,194	11,813,978
<b>Year ended 31 March 2020:</b>			
Impact of adoption of IFRS 16	-	(78,000)	(78,000)
Profit and total comprehensive income for the year	-	3,329,352	3,329,352
<b>Balance at 31 March 2020</b>	<u>76,784</u>	<u>14,988,546</u>	<u>15,065,330</u>
<b>Year ended 31 March 2021:</b>			
Profit and total comprehensive income for the year	-	1,297,905	1,297,905
Dividends	12	- (15,469,715)	(15,469,715)
<b>Balance at 31 March 2021</b>	<u>76,784</u>	<u>816,736</u>	<u>893,520</u>

The notes on pages 17 to 38 form part of these financial statements

**INVENIO BUSINESS SOLUTIONS LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	£	2021 £	£	2020 £
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27		(7,037,634)		(1,310,326)
Interest paid			(488,880)		(89,979)
Taxes paid			(801,919)		(1,024,640)
<b>Net cash outflow from operating activities</b>			<b>(8,328,433)</b>		<b>(2,424,945)</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment		(33,906)		(201,346)	
Proceeds on disposal of subsidiaries		31,930		(21,038)	
Interest received		74,850		48,686	
Dividends received		-		878,561	
<b>Net cash generated from investing activities</b>			<b>72,874</b>		<b>704,863</b>
<b>Financing activities</b>					
Issue of loan notes		11,885,119		-	
Issue of external debt net of associated fees		16,158,071		2,000,000	
Repayment of bank loans		(2,000,000)		-	
Payment of lease liabilities		(46,237)		199,288	
Dividends paid		(15,469,715)		-	
<b>Net cash generated from financing activities</b>			<b>10,527,238</b>		<b>2,199,288</b>
<b>Net increase in cash and cash equivalents</b>			<b>2,271,679</b>		<b>479,206</b>
Cash and cash equivalents at beginning of year			2,412,517		1,933,311
Cash and cash equivalents at end of year			4,684,196		2,412,517
<b>Cash and cash equivalents comprise</b>					
<b>Cash in hand</b>			<b>4,684,196</b>		<b>2,412,517</b>

## INVENIO BUSINESS SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

##### Company information

Invenio Business Solutions Limited (05872094) is a private company limited by shares incorporated in England and Wales. The registered office is Unit 125, Wharfedale Road, Winnersh, Wokingham, Berkshire, United Kingdom, RG41 5RB. The company's principal activities and nature of its operations are disclosed in the directors' report.

##### 1.1 Statement of compliance with IFRS

The financial statements, for the year ended 31 March 2021, are prepared in accordance with International Financial IFRS.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) issued by the International Accounting Standards Board (IASB) as adopted by the United Kingdom as they apply to the financial statements of the company for the year ended 31 March 2021 and applied in accordance with the Companies Act 2006.

##### 1.2 Basis of preparation

The basis of preparation and accounting policies set out in this Report and Accounts have been prepared in accordance with the recognition and measurement criteria of IFRS, which also include International Accounting Standards (IAS's), as issued by the IASB and with those of the Standing Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The company 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 on the historical cost basis, the principal accounting policies are set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The company is exempt from the requirement to prepare consolidated financial statements, in accordance with IFRS 10 paragraph 4, as they are included in the consolidated financial statements of Invenio Business Solutions Holdings Limited. These financial statements are available from its registered office, 125 Wharfedale Road, Winnersh Triangle, Wokingham, Berkshire. RG41 5RB.

##### 1.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes the company will continue in operational existence, and will be able to meet its liabilities as they fall due, for a period of at least twelve months from the date of approval of the financial statements.

The directors have reviewed the continued impact of COVID-19 on the operations and financial position of the company and have a reasonable expectation that the company has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies (Continued)**

**1.4 Revenue**

Revenue 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 are recognised as a performance obligation satisfied over time. Revenue is recognized for these services based on the stage of completion of the contract. The directors have assessed that the stage of completion, is determined as, the proportion of the total time expected to complete the project that has elapsed at the end of the reporting period, as an appropriate measure of progress towards complete satisfaction of these performance obligations under IFRS 15. Payment for professional services is not due from the customer until the installation services are complete and therefore a deferred income asset is recognised over the period in which the installation services are performed representing the entity's right to consideration for the services performed to date.

**1.5 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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
Right of use assets	Over the term of the lease

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

**1.6 Non-current investments**

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

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

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (Continued)**

**1.7 Financial instruments**

Financial instruments are accounted for in the company statement of financial position, when the company becomes party to the contractual agreement. Financial instruments are classified according to the substance of the contractual agreement, as financial assets, financial liabilities or equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**1.7.1 Cash and cash equivalents**

Cash and cash equivalents 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.

**1.7.2 Trade and other receivables**

Trade and other receivables are recognised at fair value, less provision for impairment. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired.

**1.7.3 Classification of financial assets**

Financial assets include trade and other receivables and cash and bank balances and are recognised on the date of transaction.

Financial assets 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.

The company classifies financial assets into the following categories: assets that are subsequently measured at fair value and assets that are measured at amortised cost. This classification is dependent on whether the financial asset is an investment in a debt or equity instrument with IFRS 9 requiring that all investments in equity instruments be measured at fair value.

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. The impairment loss is recognised in profit or loss.

**1.7.4 Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (Continued)**

**1.7.5 Classification of financial liabilities**

Financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

**1.7.6 Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged.

**1.8 Equity Instruments**

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

**1.9 Leasing commitments**

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease payments included in the measurement of the lease liability comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (Continued)**

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset.

The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has not used this practical expedient.

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (Continued)**

**1.10 Foreign Currencies**

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

**1.11 Government Grants**

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable, within other operating income.

**1.12 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 income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

***Deferred tax***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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**1. Accounting policies (Continued)**

**1.13 Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are recognised as a liability and an expense charged to the profit and loss account, 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.

**1.14 Pension Costs**

Contributions to the company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

**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, as an intangible asset, to the extent that the technical, commercial and financial feasibility can be demonstrated.

**2 Critical accounting estimates and judgements**

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

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

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

**Critical judgements**

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

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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**Impairment of receivables**

The company determines whether there are any indicators of impairment of the company's trade receivables. 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 company enters into long term contracts with its customers. The 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 cost to complete on each project, to determine the revenue that should be recognised in the current year and the amount to be carried forward. 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.

**Research and Development – RDEC**

A key judgement surrounds the Research and Development Expenditure Credit (RDEC). This is based on the ongoing work on the company's R&D tax relief claim, and in accordance with a final breakdown of qualifying expenditure which has been provided by the third party specialist engaged to carry out and submit the claim to HMRC.

**Legal Fee Provision**

A key judgement surrounds the provision in relation to the litigation, this has been provided for based on the anticipated outcome of the ongoing dispute, and in accordance with a breakdown provided by a third party.

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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**3 Adoption of new and revised standards and changes in accounting policies**

In the current year, the company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting periods that begin on or after 1 April 2020.

The company has adopted the new and updated IFRS implemented for the current fiscal year, where the effective date of the standard was for periods commencing on or after, April 1, 2020. The application of such IFRS's, have been considered, but have not had any significant effect on the company's accounting policies or financial statements.

**New and revised IFRSs in issue but not yet effective**

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the UK):

	Effective date for annual periods beginning on or after:
• IFRS 17 Insurance Contracts	1 January 2023
• Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2023
• Amendments to IFRS 3 – Reference to the conceptual framework	1 January 2022
• Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before intended	1 January 2022
• Amendments to IAS 37 – Onerous Contracts – cost of fulfilling a contract	1 January 2022
• Annual improvements to IFRS Standards 2018-2020 Cycle	1 January 2022
• Definition of Accounting Estimate (amendments to IAS 8)	1 January 2023
• Deferred tax related to assets and liabilities arising from a single transactions – Amendments to IAS 12 Income taxes	1 January 2023
• Disclosure of accounting policies	1 January 2023

The application of such IFRS's has been considered, but are not considered to have a significant effect on the accounting policies or financial statements.

**INVENIO BUSINESS SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****4 Revenue**

An analysis of the company's revenue is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Revenue analysed by class of business</b>		
Consulting	26,971,149	34,545,287
Products	2,433,928	1,833,650
	<u>29,405,077</u>	<u>36,669,105</u>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Other significant revenue</b>		
Grants received	23,338	-
	<u>23,338</u>	<u>-</u>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Revenue analysed by geographical market</b>		
United Kingdom	7,368,406	9,696,967
Rest of EU	230,598	156,566
Rest of world	21,806,073	26,525,404
	<u>29,405,077</u>	<u>36,378,937</u>

**5 Operating profit**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	389,558	492,141
Government grants - furlough	(23,338)	-
RDEC; other income	(777,674)	(290,168)
Depreciation of property, plant and equipment	73,031	64,266
Loss on disposal of property, plant and equipment	386	-
	<u>389,558</u>	<u>492,141</u>

**6 Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	17,950	17,250
	<u>17,950</u>	<u>17,250</u>

**INVENIO BUSINESS SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021**

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**7 Employees**

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Delivery management	34	44
Corporate	10	15
Sales and Marketing	19	9
Total	<u>63</u>	<u>68</u>

Their aggregate remuneration comprised:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,372,277	5,287,317
Social security costs	491,367	672,908
Pension costs	130,376	91,520
	<u>4,994,020</u>	<u>6,051,745</u>

**8 Directors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>322,480</u>	<u>376,499</u>
Remuneration disclosed above include the following amounts paid to the highest paid director:		
Remuneration for qualifying services	<u>192,500</u>	<u>200,004</u>

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**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

<b>9 Interest received</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Financial instruments measured at amortised cost:		
Other interest income on financial assets	74,850	48,686
<b>Other income</b>		
Dividends from shares in group undertakings	-	878,561
	<u>74,850</u>	<u>927,247</u>
Income above relates to assets held at amortised cost, unless stated otherwise.		
 <b>10 Finance costs</b>		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	313,921	77,382
Interest on lease liabilities	7,288	9,490
Other interest payable	167,671	3,107
	<u>488,880</u>	<u>89,979</u>
 <b>11 Income tax expense</b>		
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	75,588	331,619
Foreign tax suffered	824,168	-
Adjustments in respect of prior periods	128,035	59,032
	<u>1,027,792</u>	<u>390,651</u>
<b>Total UK current tax</b>		
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	2,487
	<u>1,027,792</u>	<u>393,138</u>
<b>Total tax charge</b>		

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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The charge for the year can be reconciled to the profit per the income statement as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<u>2,325,697</u>	<u>3,722,490</u>
Expected tax charge based on a corporation tax rate of 19.00% (2020: 19.00%)	441,882	707,273
Tax effect of expenses not deductible	7,145	22,517
Adjustment in respect of prior year	128,035	-
Group relief	(11,995)	-
Research and development	-	(336,652)
Foreign tax suffered	462,724	-
	<u>1,027,792</u>	<u>393,138</u>
Tax charged in the financial statements	<u>1,027,792</u>	<u>393,138</u>

**12 Dividends**

	<b>2021</b>	<b>2020</b>
Amounts recognised as distributions:	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Interim ordinary dividend paid</b>	<u>15,469,715</u>	<u>-</u>

On 8 February 2021, an interim dividend of £15,469,715 was declared and paid.

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Property, plant and equipment

	Fixtures, fittings & equipment	Computer equipment	Right of use assets	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2019	153,820	68,174	-	221,994
Additions	-	36,022	165,324	201,346
At 31 March 2020	153,820	104,196	165,324	423,340
Additions	-	33,906	-	33,906
Disposals	-	(463)	-	(463)
At 31 March 2021	153,820	137,639	165,324	456,783
<b>Accumulated depreciation and impairment</b>				
At 1 April 2019	150,895	36,320	-	187,215
Charge for the year	2,807	20,128	41,331	64,266
At 31 March 2020	153,702	56,448	41,331	251,481
Charge for the year	118	31,582	41,331	73,031
Eliminated on disposal	-	(77)	-	(77)
At 31 March 2021	153,820	87,953	82,662	324,435
<b>Carrying amount</b>				
At 31 March 2021	-	49,686	82,662	132,348
At 31 March 2020	118	47,748	123,993	171,859
At 31 March 2019	2,925	31,854	-	34,779

**INVENIO BUSINESS SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****14 Investments**

	Current		Non-current	
	2021	2020	2021	2020
	£	£	£	£
Investments in subsidiaries	-	-	379,230	411,160

On 8 February 2021, the company sold its investment in Invenio Business Solutions INC, to another group member at market value, which was deemed to be original cost of £31,930.

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

**Fair value of financial assets carried at amortised cost**

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

**15 Subsidiaries**

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Country	Class of shares held	% Held	
			Direct	Voting
Invenio Business Solutions LLC	Saudi Arabia	Ordinary	80	80
Invenio Business Solutions PVT Limited	India	Ordinary	100	100
Invenio Business Solutions Limited	Mauritius	Ordinary	100	100
Invenio Business Solutions Bahrain	Bahrain	Ordinary	100	100
Invenio Business Solutions GMBH	Germany	Ordinary	100	100
Invenio Business Solutions DWC LLC	United Arab Emirates	Ordinary	100	100
Proverbium Appsolutions PVT Limited	India	Ordinary	100	100
Invenio Business Solutions (Canada) Inc.	Canada	Ordinary	100	100

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

**16 Trade and other receivables**

	Current		Non-current	
	2021	2020	2021	2020
	£	£	£	£
Trade receivables	7,984,267	8,907,605	-	-
Provision for bad and doubtful debts	(336,817)	(150,000)	-	-
	<u>7,647,450</u>	<u>8,757,605</u>	-	-
Amounts owed by fellow group companies	4,031,931	4,192,371	5,334,675	-
Other receivables	6,489,520	1,581,167	-	-
Prepayments and accrued income	6,771,886	8,902,281	-	-
	<u>24,940,787</u>	<u>23,433,424</u>	<u>5,334,675</u>	<u>-</u>

- 1 Included within other receivable is a loan of £1,037,253 (2020: £969,396) to a connected company. The loan is subject to interest of 7% per annum, and subject to a legal charge over the property Brackworth, Broad Lane, Bracknell. RG12 9BY. This loan has been recovered post year end.
- 2 Trade receivables disclosed above are classified as loan and receivables and are therefore measured at amortised cost.

The directors of the Company always measure the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience, the nature of the customer and where relevant, the sector in which they operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under contract.

The following table details the risk profile of amounts due from customers based on the Company's provision matrix. The Company's historical credit loss experience does not show significantly different loss patterns for different customer segments.

	2021	2020
Expected credit loss rate	2.1 %	1.7 %
Estimated total gross carrying amount at default	7,984,267	8,907,605
Lifetime ECL	(167,669)	(150,000)
	<u>7,816,598</u>	<u>8,757,605</u>
Net carrying amount	7,816,598	8,757,605

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

**Fair value of trade receivables**

The directors have considered the fair value of the carrying trade debtors and other debtors at the year end, and do not believe there to be any significant impairment at the reporting end date.

**17 Other receivables**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts owed by fellow group	<u>5,334,675</u>	<u>-</u>

On 8 February 2021, the company entered into a long term loan agreement with Invenio Business Solutions LLC. An amount of £5,334,675 was loaned, for a period one year in excess of the repayment of the group debt to external lenders. The debt is subject to interest of 3% above base, per annum, which the directors believe represents market rate.

**18 Trade and other payables**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade payables	993,173	1,884,603
Amounts owed to subsidiary undertakings	2,869,577	5,495,818
Accruals	2,173,042	1,703,256
Social security and other taxation	364,272	556,200
Other payables	294,562	63,489
	<u>6,694,626</u>	<u>9,703,365</u>

**19 Borrowings**

	<b>Current</b>		<b>Non-current</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Borrowings held at amortised cost:</b>				
Bank loans	4,903,228	2,000,000	11,254,843	-
Loan notes	-	-	11,885,119	-
	<u>4,903,228</u>	<u>2,000,000</u>	<u>23,139,962</u>	<u>-</u>

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

On 8 February 2021 the company obtained loan notes to the value of £12,000,000 from its ultimate parent. The loan notes are subject to interest at 10% per annum, the loan notes are repayable at the earlier of, completion of a sale, completion of a disposal, completion of a listing or by 31 December 2028. Quarterly instalments are due from 30 June 2027 onwards.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Borrowings</b>		
Due in one year	4,903,228	2,000,000
Due in 2 – 5 years	-	-
Due in more than 5 years	23,139,962	
	<u>28,043,190</u>	<u>2,000,000</u>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Secured borrowings included above:</b>		
Bank loans	<u>16,158,071</u>	<u>2,000,000</u>

On 8 February 2021 the company repaid the £2,000,000 loan with Barclays. On the same date the company obtained a £16,500,000 loan from Kartesia Management S.A, through agent and security agent Lucid Trustee Services Limited.

The loan drawn at the year end, reflects Facility B and D, Facility D is repayable during the next twelve months, and subject to interest at varying rates, dependent upon leverage - to a maximum of 9% plus LIBOR.

Facility B, is repayable six years after the closing date, on 8 February 2027. Interest is payable at varying rates dependent upon leverage - to a maximum of 7% plus LIBOR.

The loans are secured by a first fixed charge over the assets of the company and a floating charge - with negative pledge over the company's present and future assets.

**20 Lease liabilities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Maturity analysis</b>		
Within one year	53,526	53,526
In two to five years	99,525	145,762
<b>Total undiscounted liabilities</b>	<u>153,051</u>	<u>199,288</u>

**INVENIO BUSINESS SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021**

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	7,288	9,490

**21 Financial instruments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Measured at amortised cost	23,847,267	23,433,424
Measured at fair value through profit & loss	-	-
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	33,644,297	11,703,365
Measured at fair value through profit & loss	-	-

The company uses financial instruments, comprising cash, borrowings, trade creditors and trade debtors, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risk arising from the company's financial instruments is foreign currency risk.

**Foreign currency risk**

The company undertakes transactions denominated in foreign currencies, consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

**Credit risk**

Credit risk mainly arises from cash at bank, accounts receivable and other receivables. The company expects that there is no significant credit risk associated with cash at bank since they are deposited at state-owned banks and other medium or large size listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties. In addition, the company has policies to limit the credit exposure on accounts receivable and other receivables. The company assesses the credit risk and sets credit limits accordingly. The credit history of customers is regularly monitored by the company. In addition an expected credit loss is determined by management and recognised on an annual basis.

**Liquidity risk**

Cash flow forecasting is completed by the company's finance department. The company's finance department monitors rolling forecasts of the company's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash, to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the company does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

**Capital management**

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

**22 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	<b>Accelerated capital allowances £</b>
Deferred tax liability at 1 April 2019	6,608
<b>Deferred tax movements in prior year</b>	
Credit to profit or loss	2,487
	<u>          </u>
Deferred tax liability at 1 April 2020 and 31 March 2021	<u>9,095</u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances.

**23 Share capital**

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A shares of 10p each	207,835	207,835	20,784	20,784
Ordinary B shares of 10p each	560,000	560,000	56,000	56,000
	<u>767,835</u>	<u>767,835</u>	<u>76,784</u>	<u>76,784</u>

All shares rank pari-passu.

**24 Retirement benefit schemes**

**Defined contribution schemes**

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

The total costs charged to income in respect of defined contribution plans is £130,376 (2020 - £91,520). Contributions totalling £9,858 (2020: £12,970) were payable to the fund at year end and are included in creditors.

**INVENIO BUSINESS SOLUTIONS LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2021**

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**25 Financial commitments, guarantees and contingent liabilities**

As at 31 March 2021, an amount of £2,190,000, which is held in escrow, by Barclays, 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. This amount is disclosed within restricted cash.

An additional amount of £2,122,260, is held in escrow, in favour of the Ministry of Finance, UAE. The amount is held in escrow and not available for use, until the contract completion. This amount is disclosed within restricted cash.

The company entered into Forward Contracts to buy INR with USD, with maturity dates post year end. At 31 March 2021, the fair value profit on these contracts amount to £49,568.

The company is involved in litigation brought by a previous employee of the company.

Legal provisions of £317,000 (2020 - £200,000) have been made, based on the expected costs, to resolve the Claim. The provision is anticipated to be utilised over the next twelve months and reflects the directors understanding of the company's position at the year-end.

Should the company be unsuccessful in defending the claim, there is potential for future costs to be recognised, relating to the case. These have not been included in these financial statements as they cannot be reliably measured.

**26 Related party transactions**

***Remuneration of key management personnel***

During the year, the amounts paid in relation to key management personnel amounted to £322,480 (2020 - £143,999).

***Other transactions with related parties***

In 2016, Invenio Business Solutions Limited advanced monies totalling £740,000 to a company associated by a mutual director. Included within debtors at the current year end is the outstanding balance of £1,037,253 (2020 - £969,396). The monies advanced are subject to interest at 5% per annum. This balance has since been repaid post year end.

**27 Controlling party**

On 08 February 2021 the intermediate holding company became Invenio Business Solutions Investments Limited.

The ultimate holding company, where consolidated financial statements are available, is Invenio Business Solutions Holdings Limited. The directors believe there to be no individual controlling party.

INVENIO BUSINESS SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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28 Cash absorbed by operations

	2021	2020
	£	£
Profit for the year after tax	1,297,905	3,329,352
<b>Adjustments for:</b>		
Taxation charged	1,027,792	393,138
Finance costs	488,880	89,979
Investment income	(74,850)	(927,247)
Loss on disposal of property, plant and equipment	386	-
Depreciation and impairment of property, plant and equipment	73,031	64,266
<b>Movements in working capital:</b>		
Increase in trade and other receivables	(6,842,038)	(9,197,174)
(Decrease)/increase in trade and other payables	(3,008,740)	4,937,360
<b>Cash absorbed by operations</b>	<u>(7,037,634)</u>	<u>(1,310,326)</u>