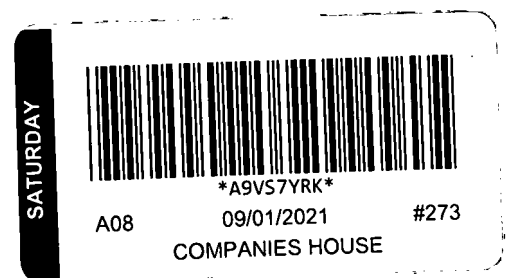


AMIDO LTD

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

AMENDED



AMIDO LTD

COMPANY INFORMATION

Directors	S R Evans C M Gray (resigned 6 March 2020) R C Pearson A J Walsh
Registered number	07203090
Registered office	43 Worship Street England London EC2A 2DX
Independent auditors	KPMG LLP Statutory Auditors 15 Canada Square London E14 5GL

AMIDO LTD

CONTENTS

	Page
Strategic report	1 - 2
Directors' report and statement of directors' responsibilities	3 - 5
Independent auditors' report to the members of Amido Ltd	6 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11 - 12
Notes to the financial statements	13 - 31

AMIDO LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

Amido is an independent technology consultancy specialising in assembling, integrating and building cloud-native solutions to improve our clients' businesses through digital transformations and projects.

Our company has built a strong reputation for defining digital strategy and delivering digital programmes that drive growth and efficiency. Amido helps private and public sector organisations utilise cloud-native technology to build resilience at scale, flexibility for the future and differentiation of customer experience.

Amido prides itself in achieving this while minimising business-risk and build-cost using an agile approach to engineering principles for software development and delivery.

Business review

The business continues to service a variety of clients across the Housing, Retail, Media and Public Sector markets in Identity and Access Management, Microservice Frameworks and Cloud Service Integration. Emerging AI, Automated Analytics and Data Engineering service offerings also continued to gain momentum amongst new and existing clients during the period.

During the year, the business recognised the need to service our clients beyond these existing revenue streams. Subsequently, in June 2020, a wholly owned subsidiary was incorporated to implement a Managed Services offering. This new division will reduce total cost of ownership and increase the return on investment from technology transformation with our clients.

At the beginning of the period the business started longer-term strategic IP investment projects to help industrialise and increase the speed of project delivery. This adds value, quality and security to our work using open source tools which in turn cultivates our engineering excellence and thus improves speed of delivery.

In the summer of 2019, it became evident that after five years of strong growth it was time to make some key step-changes for Amido to become a nationally recognised medium-sized enterprise. The business began operating outside of the London area, with the first regional hub opening in Manchester later in the autumn.

The company also reviewed both its Commercial and Operational functions, which resulted in restructuring these teams to align with the longer-term business strategy. Without a full Commercial team in place, and investing internally in IP, the year ended 31 March 2020 with a 7% reduction in revenue to the previous year. Gross profit margins remain stable but there has been a subsequent reduction in operating profit of 97% from the previous year. This was mainly due to the review of our Commercial and Operational functions.

The balance sheets remains in a strong position, despite the fall in profits and undertaking debt financing for the first time to facilitate a company share buy-back in March 2020.

The company's talent is fundamental to our success and has been recognised in the industry via coming 10th in the UK's Best places to Work in Tech 2019 and also receiving a 2 star accreditation in excellence from the Sunday Times Best Places to Work awards.

Amido was ranked 30th in Econsultancy's top 100 Digital Agencies, and ranked number 7 in the Technical Agencies list.

AMIDO LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties

As we closed the year the effects of the COVID-19 global pandemic had not impacted the financial results nor the operational running of the Company, but the Directors have considered the uncertainty it may bring. Despite the nationwide lockdown, Amido has continued to secure orders from both existing and new clients whilst being able to fully deliver work remotely.

Amido provides digital transformation services, therefore we expect clients to accelerate their investment in e-commerce tools and subsequently customer orders should not drastically decrease as we enter the next financial year.

However, the Directors do recognise that there is a degree of uncertainty over the longer-term impact of COVID-19 to the business and wider economy. Several financial assessments, including severe downside scenarios, have been analysed in line with current forecasts, and as a result some mitigation strategies have incorporated to ensure financial performance remains in line with the current financial year.

The Directors also consider recruitment as a principal risk, compounded by the uncertainty around IR35 legislation and the use of subcontractors.

The company is not expecting any significant impact on its operations since the UK has left the European Union.

Financial key performance indicators

Revenue for the period decreased 7% to £15.2m (2019: £16.3m)

Operating Profit for the period decreased 97% to £22.5k (2019: £765.6k)

Other key performance indicators

The average number of employees increased by 8.5% to 102 (2019: 94)

All key customer accounts were retained and during the period.

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



.....
A J Walsh
Director
Date: 20/08/2020

AMIDO LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement in respect of the Strategic report, the Directors' report and the financial statements.

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AMIDO LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Principal activity

The principal activity of the Company during the year was the provision of technical consultancy services, specialising in solving complex business problems with cloud native technology.

Results and dividends

The loss for the year, after taxation, amounted to £34,783 (2019 - profit £833,614).

No ordinary or preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

S R Evans
C M Gray (resigned 6 March 2020)
R C Pearson
A J Walsh

Political contributions

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

Research and development activities

During the year the Company invested in IP to improve the speed of project delivery as part of its long term strategic plan.

Disclosure of information to auditors

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

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

Going concern

Since the outbreak of COVID-19 in the first three months of 2020 and the UK government decisions to implement measures to limit the spread of the virus, businesses were asked to operate remotely except in specific circumstances.

The Directors are following the government advice and evaluate on an on-going basis the current circumstances considering government's announcements.

For a further description of the current situation and how Directors have assessed the effect on the future trading and viability of the Company please refer to note 2.2.

AMIDO LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 485 and 487 of the Companies Act 2006.

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



.....
A J Walsh
Director

Date: 20/08/2020

Registered office:
43 Worship Street
London
England
EC2A 2DX

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMIDO LTD

Opinion

We have audited the financial statements of Amido Ltd ("the company") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMIDO LTD (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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



Richard Johnson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

Date: 20 August 2020

AMIDO LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Revenue	4	15,239,076	16,340,314
Cost of sales		(10,262,966)	(11,149,035)
Gross profit		4,976,110	5,191,279
Administrative expenses		(4,953,604)	(4,425,702)
Operating profit		22,506	765,577
Interest receivable and similar income	9	1,787	1,167
Interest payable and expenses		(8,991)	-
Profit before tax		15,302	766,744
Tax on profit	11	(50,085)	66,870
(Loss)/profit for the financial year		(34,783)	833,614
Total comprehensive income for the year		(34,783)	833,614

The notes on pages 13 to 31 form part of these financial statements.

AMIDO LTD
REGISTERED NUMBER: 07203090

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	181,596	-
Tangible assets	13	160,682	131,047
		<u>342,278</u>	<u>131,047</u>
Current assets			
Debtors: amounts falling due within one year	14	3,224,548	3,671,985
Cash at bank and in hand	15	1,101,676	1,997,025
		<u>4,326,224</u>	<u>5,669,010</u>
Creditors: amounts falling due within one year	16	(1,984,916)	(2,331,688)
Net current assets		<u>2,341,308</u>	<u>3,337,322</u>
Total assets less current liabilities		<u>2,683,586</u>	<u>3,468,369</u>
Net assets		<u><u>2,683,586</u></u>	<u><u>3,468,369</u></u>
Capital and reserves			
Called up share capital	20	717	819
Share premium account	21	33,734	33,734
Capital redemption reserve	21	102	-
Profit and loss account	21	2,649,033	3,433,816
Shareholders' funds		<u><u>2,683,586</u></u>	<u><u>3,468,369</u></u>

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



.....
A J Walsh
 Director
 Date: 20/08/2020

The notes on pages 13 to 31 form part of these financial statements.

AMIDO LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2018	819	33,734	-	2,600,202	2,634,755
Profit for the year	-	-	-	833,614	833,614
At 1 April 2019	819	33,734	-	3,433,816	3,468,369
Loss for the year	-	-	-	(34,783)	(34,783)
Purchase of own shares	-	-	-	(750,000)	(750,000)
Shares cancelled during the year	(102)	-	102	-	-
At 31 March 2020	717	33,734	102	2,649,033	2,683,586

The notes on pages 13 to 31 form part of these financial statements.

AMIDO LTD

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	(34,783)	833,614
Adjustments for:		
Amortisation of intangible assets	10,303	-
Depreciation of tangible assets	97,966	68,697
Profit on disposal of tangible assets	(636)	(1,797)
Interest paid	8,991	-
Interest received	(1,787)	(1,167)
Taxation charge	50,085	(66,870)
Decrease/(increase) in debtors	397,351	(760,763)
(Decrease)/increase in creditors	(537,856)	555,172
Net cash generated from operating activities	<u>(10,366)</u>	<u>626,886</u>
Cash flows from investing activities		
Capitalised development expenditure	(191,899)	-
Purchase of tangible fixed assets	(127,883)	(112,738)
Sale of tangible fixed assets	919	3,131
Interest received	1,787	1,167
Net cash from investing activities	<u>(317,076)</u>	<u>(108,440)</u>

AMIDO LTD

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from financing activities		
New secured loans	191,084	-
Interest paid	(8,991)	-
Purchase of own shares	(750,000)	-
Net cash used in financing activities	<u>(567,907)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	<u>(895,349)</u>	<u>518,446</u>
Cash and cash equivalents at beginning of year	1,997,025	1,478,579
Cash and cash equivalents at the end of year	<u><u>1,101,676</u></u>	<u><u>1,997,025</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,101,676	1,997,025
	<u><u>1,101,676</u></u>	<u><u>1,997,025</u></u>

AMIDO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General Information

Amido Ltd is a limited company registered in England and Wales with the company registration number 07203090. The registered office is 43 Worship Street, London, England, EC2A 2DX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

In December 2017 the FRC issued Amendments to FRS 102 as part of the Triennial review 2017 effective for accounting periods beginning on or after 1 January 2019. Management has assessed the impact of these changes on the Company's financial statements and this is not significant

The following principal accounting policies have been applied:

AMIDO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.2 Going concern

In preparing these financial statements the Directors have performed an assessment of the going concern status of the Company. This involved reviewing the Company's forecasts and projections, including cash flow forecasts for at least 12 months from the date of signing these financial statements.

In performing this assessment, the Directors have considered the current trading, cash position as of July 2020 of £2.8m existing committed revenues and funds available to the Company. This included an assessment of the uncertainty caused by the recent COVID-19 outbreak and the potential impact on the Company's results and financial position. A base case forecast was prepared using the following assumptions;

- Revenue is based on committed sales, staff numbers and historic measures of utilisation and sell rates.
- Contingency for a reduction in utilised time due to the potential medium-term impact of COVID-19 has been applied, which therefore reduces revenue over the whole 12-month period from date of approval of these financial statements.
- A reduction in office and operating costs costs that are under management's control
- Utilising the VAT and PAYE deferral scheme introduced by government deferring payments due between March 2020 and May 2020 which are being repaid over an 8-month period from August 2020.

In addition to this, a highly unlikely but severe downside scenario due to the current COVID-19 outbreak was run with a further loss of revenue to model the impact of no further sales being made which have not yet been committed.

In this situation if required the Directors would be able to take cost control measures wholly within the Company's control and other mitigating actions to continue to preserve cash. These actions include closure of office space, redundancies and associated future cost savings that are under management's control. In all scenarios the Company has sufficient headroom to be able to trade within its existing cash reserves without seeking additional funding to fund any working capital requirements as needed.

On this basis the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months and the foreseeable future and therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.5 Leases

Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.11 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised from the date they are available for use. The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	3	years
-------------------------	---	---	-------

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred. Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends, and has the technical ability and sufficient resources, to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development.

Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs.

Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

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

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

AMIDO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%
Computer equipment	-	33%
Other fixed assets	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease.

At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 2.5

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

AMIDO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Cash and cash equivalents comprise cash balances and call deposits

AMIDO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

On this background, the directors consider there to be judgments applied the depreciation and amortisation policy of the fixed and intangible assets and that the depreciation and amortisation rates are based upon the expected useful life of the assets.

A key estimate for the accounts is also the exercise price of the share options given under the SBP scheme in note 19.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Consultancy Services	15,062,227	16,169,627
Partner Commission	176,849	170,687
	<u>15,239,076</u>	<u>16,340,314</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation- owned assets	97,966	68,697
R&D expenditure	463,834	606,746
Operating lease expense	632,624	500,916
Amortisation	10,303	-
	<u>1,204,727</u>	<u>1,176,359</u>

AMIDO LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	32,000	20,000
Fees payable to the Company's auditor and its associates in respect of:		
Tax compliance	-	3,000
Other services	-	20,500
	-	23,500

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	7,988,811	7,515,948
Social security costs	944,967	911,248
Cost of defined contribution scheme	441,079	368,310
	9,374,857	8,795,506

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Consultants	79	74
Administration	23	20
	102	94

AMIDO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	632,497	787,646
Company contributions to defined contribution pension schemes	32,491	34,921
	<u>664,988</u>	<u>822,567</u>

The highest paid director received remuneration of £232,566 (2019 - £251,987).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,189 (2019 - £11,609).

9. Interest receivable

	2020 £	2019 £
Other interest receivable	1,787	1,167
	<u>1,787</u>	<u>1,167</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	8,991	-
	<u>8,991</u>	<u>-</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Deferred Tax charge for the year	50,085	(66,870)
	<u>50,085</u>	<u>(66,870)</u>

AMIDO LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>15,302</u>	<u>766,744</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	2,907	145,681
Effects of:		
Non-tax deductible amortisation and impairment	1,958	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,424	12,720
Capital allowances for year in excess of depreciation	(5,684)	(7,773)
Utilisation of tax losses	-	(9,405)
Deferred tax movement- recognised on losses	44,454	(74,984)
Deferred tax movement- accelerated capital allowances	5,631	8,114
Other timing differences leading to an increase (decrease) in taxation	2,151	8,643
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(162,954)	(149,866)
Unrelieved tax losses carried forward	147,198	-
Total tax charge for the year	<u>50,085</u>	<u>(66,870)</u>

Factors that may affect future tax charges

At the year end the company had losses available to carry forward of £1,169,380 (2019: £393,228).

AMIDO LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. Intangible assets

	Development expenditure £
Cost	
Additions	191,899
At 31 March 2020	<u>191,899</u>
Amortisation	
charge for the year	10,303
At 31 March 2020	<u>10,303</u>
Net book value	
At 31 March 2020	<u>181,596</u>
At 31 March 2019	<u>-</u>

Capitalised development expenditure relates to costs incurred in developing architecture and software integration solutions for use on future projects.

AMIDO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2019	70,816	291,760	362,576
Additions	-	127,883	127,883
Disposals	-	(6,441)	(6,441)
At 31 March 2020	<u>70,816</u>	<u>413,202</u>	<u>484,018</u>
Depreciation			
At 1 April 2019	31,970	199,559	231,529
Charge for the year on owned assets	9,572	88,394	97,966
Disposals	-	(6,159)	(6,159)
At 31 March 2020	<u>41,542</u>	<u>281,794</u>	<u>323,336</u>
Net book value			
At 31 March 2020	<u>29,274</u>	<u>131,408</u>	<u>160,682</u>
At 31 March 2019	<u>38,846</u>	<u>92,201</u>	<u>131,047</u>
Finance leases			

The net book value of computer equipment includes an amount of £7,430 in respect of assets held under finance leases.

14. Debtors

	2020 £	2019 £
Trade debtors	2,460,702	3,184,210
Other debtors	121,329	127,760
Prepayments and accrued income	642,517	309,930
Deferred taxation	-	50,085
	<u>3,224,548</u>	<u>3,671,985</u>

AMIDO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,101,676	1,997,025
	1,101,676	1,997,025

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	191,084	-
Trade creditors	617,256	685,748
Other taxation and social security	887,707	962,896
Other creditors	75,507	97,164
Accruals and deferred income	213,362	585,880
	1,984,916	2,331,688

The bank loan is unsecured and repayable in full by 21 December 2020.

Included within other creditors is a finance lease liability of £5,944, all of which is due to be paid within one year.

17. Analysis of net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	1,997,025	(895,349)	1,101,676
Debt due within 1 year	-	(191,084)	(191,084)
	1,997,025	(1,086,433)	910,592

AMIDO LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. Deferred taxation

	2020 £
At beginning of year	50,085
Charged to profit or loss	(50,085)
At end of year	<u><u>·</u></u>

The deferred tax liability at the end of the year is shown within provisions and relates to accelerated capital allowances.

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(30,530)	(24,899)
Tax losses carried forward	30,530	74,984
	<u><u>·</u></u>	<u><u>50,085</u></u>

Unrelieved tax losses have been recognised at an amount equal to the deferred tax liabilities resulting in a nil net deferred tax position as it is not probable that they will be recovered against future taxable profits.

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 March 2019 has been calculated based on this rate. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. The change to 19% was substantively enacted on 17 March 2020 and therefore deferred tax balances have been remeasured accordingly.

AMIDO LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

19. Share based payments

The following table illustrates the share options in existence and the exercise price:

	2020		2019	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	4.06	6,455	-	-
Forfeited during the year	3.99	(1,655)	-	-
Granted during the year	16.52	1,650	4.06	6,455
Outstanding at the end of the year	<u>7.27</u>	<u>6,450</u>	4.06	6,455
Exercisable at the end of the year	<u>7.27</u>	<u>6,450</u>	4.06	6,455

The options have been valued using the Black Scholes method, due to the immaterial nature of the provision this has not been adjusted for. The maximum term of the options granted is 10 years.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

AMIDO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
71,680 (2019 - 81,926) Ordinary shares of £0.01 each	<u>717</u>	<u>819</u>

During the year 10,246 £0.01 shares were repurchased by the company and subsequently cancelled (2019 - Nil)

21. Reserves

Capital redemption reserve

The capital redemption reserve represents shares repurchased by the company.

Profit and loss account

The profit and loss account represents profits and losses retained in the previous and current periods.

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £441,079 (2019 - £368,310). Contributions totaling £55,389 (2019 - £45,492) were payable to the fund at the balance sheet date and are included in creditors.

23. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	330,000	660,000
Later than 1 year and not later than 5 years	-	330,000
	<u>330,000</u>	<u>990,000</u>

AMIDO LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

24. Related party transactions

Key management personnel are considered to include the directors only, who together have authority and responsibility for planning, directing and controlling the activities of the group.

The total compensation paid to key management personnel for services provided to the company is disclosed in Note 8.

During the year 10,246 ordinary share were purchased from a director by the company for £750,000.

25. Subsequent events

Amido Managed Services Limited was incorporated on the 2nd of June 2020, a 100% owned subsidiary of the Company implementing its longer term strategy to extend into other revenue streams. There is no impact on this year's financial statements

26. Controlling party

The controlling party is Alan Walsh, a director and majority shareholder.