

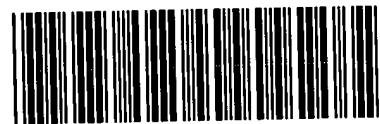
DOIT INTERNATIONAL UK&I LTD

Registered number: 12390015

Annual Directors' report and financial statements

For the year ended 31 December 2022

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DOIT INTERNATIONAL UK&I LTD

COMPANY INFORMATION

Directors	Darren Christopher Battistoni Yoav Toussia Cohen Bhuvan Vikram Jain Vadim Solovey Michael Johannes Zirngibl
Registered number	12390015
Registered office	30 Old Bailey London United Kingdom EC4M 7AU
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 90 Victoria Street Bristol BS1 6DP

DOIT INTERNATIONAL UK&I LTD

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 - 32

DOIT INTERNATIONAL UK&I LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their strategic report of the Company and the Group for the year to 31 December 2022.

Business review

DoIT International is a leading provider of multi-cloud expertise, proprietary cloud optimisation and governance software. The Company tackles complex problems of scale for customers, using expertise in machine learning, algorithms, complexity analysis and systems design.

The consolidated income statement is set out on page 8 and shows the results for the year. The group generated revenues of \$175,786k (2021: \$72,707k), and made a profit of \$375k for the year ended 31 December 2022 (2021: \$219k). Their main costs relate to intercompany charges from their ultimate parent company, DoIT International (Israel).

Financial KPIs

The directors monitor the Company's financial performance against strategic objectives utilising key performance indicator (KPI) on a regular basis. The KPI is EBITDA.

	2022	2021
	\$000	\$000
EBITDA	1,174	757

Principal risks and uncertainties

The management of the business and execution of the Group's strategy are subject to several risks. The key business risks and uncertainties facing the Group are:

Business growth risk - Growing competition in the industry may effect the Group's ability to expand the business as planned. The Group have employed experienced executives to manage key areas of business development and have formal processes in place to assess financial results and business growth.

Intellectual property (IP) risk - The Group have critical intellectual property that could be stolen via cyber espionage. The Group follow industry best practices in developing intellectual property and follow standard operating procedures with regards to access and usage of their platform (where IP exists). Additionally, the Group has a function dedicated towards information security.

Financial risk - The Group are exposed to exchange rate risks given that they operate in multiple currencies. The CFO monitors the relevant exchange rates and purchases/sells the required currency to avoid short term forex risks. Additionally, the Group has both income and expenses in the currencies it operates in, thus providing a natural hedge.

Future developments

The Group is currently in a rapid growth phase, and is focused on increasing its sales in 2023 and beyond. The Group also intends to expand its engineering team and operations commensurate to their business growth.

DOIT INTERNATIONAL UK&I LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board on 27/09/2023 and signed on its behalf.

Vadim Solovey

Director



DOIT INTERNATIONAL UK&I LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to \$375k (2021 - \$219 thousand).

No dividends will be distributed for the year ended 31 December 2022 (2021: \$Nil).

Directors

The directors who served during the year were:

Darren Christopher Battistoni
Yoav Toussia Cohen
Bhuvan Vikram Jain
Vadim Solovey
Michael Johannes Zirngibl

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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 and the Group'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 and the Group's auditors are aware of that information.

DOIT INTERNATIONAL UK&I LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Going concern

The accounts are prepared on a going concern basis, which assumes that the Company will continue operations for the foreseeable future. The Company's ability to meet future working capital requirement and therefore continue as a going concern is dependent on it being able to maintain its cash flow. Given the entity's positive net asset position and that it is profit making, the business is well placed to operate within its existing cash resources. Additionally, the ultimate parent company, DoIT International (Israel) has been successful in raising investment and will support its subsidiaries if necessary. The Company is therefore in a strong position to continue trading for the foreseeable future.

Auditors

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

This report was approved by the board on 27/09/2023 and signed on its behalf.



Vadim Solovey
Director

DOIT INTERNATIONAL UK&I LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOIT INTERNATIONAL UK&I LTD

Opinion

We have audited the financial statements of Doit International UK&I Ltd (the 'Parent Company') and its subsidiaries for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent 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 Group's or Parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

DOIT INTERNATIONAL UK&I LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOIT INTERNATIONAL UK&I LTD

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group 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 light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

DOIT INTERNATIONAL UK&I LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOIT INTERNATIONAL UK&I LTD

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend either to liquidate the Group or Parent 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

DOIT INTERNATIONAL UK&I LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOIT INTERNATIONAL UK&I LTD

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.


Jonathan Marchant (Sep 29, 2023 14:07 GMT+1)

Jonathan Marchant (Senior Statutory Auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street

Bristol
BS1 6DP

Date: 29 September 2023

DOIT INTERNATIONAL UK&I LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$000	2021 \$000
Turnover	4	175,786	72,707
Cost of sales		(157,506)	(64,108)
Gross profit		<u>18,280</u>	<u>8,599</u>
Administrative expenses		(17,188)	(7,874)
Operating profit	5	1,092	725
Tax on profit	8	(717)	(506)
Profit for the financial year		<u><u>375</u></u>	<u><u>219</u></u>
Total comprehensive income for the year		<u><u>375</u></u>	<u><u>219</u></u>

The notes on pages 15 to 32 form part of these financial statements.

DOIT INTERNATIONAL UK&I LTD
REGISTERED NUMBER: 12390015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$000	2021 \$000
Fixed assets			
Tangible assets	9	286	152
		<u>286</u>	<u>152</u>
Current assets			
Debtors: amounts falling due within one year	11	48,263	16,259
Cash at bank and in hand	12	12,105	8,288
		<u>60,368</u>	<u>24,547</u>
Creditors: amounts falling due within one year	13	(56,628)	(22,595)
Net current assets		<u>3,740</u>	<u>1,952</u>
Total assets less current liabilities		<u>4,026</u>	<u>2,104</u>
Deferred taxation		(19)	-
		<u>(19)</u>	<u>-</u>
Net assets		<u><u>4,007</u></u>	<u><u>2,104</u></u>
Capital and reserves			
Foreign exchange reserve		29	-
Other reserves	16	3,339	1,840
Profit and loss account	16	639	264
Equity attributable to owners of the parent Company		<u><u>4,007</u></u>	<u><u>2,104</u></u>

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


Vadim Solovey
 Director

The notes on pages 15 to 32 form part of these financial statements.

DOIT INTERNATIONAL UK&I LTD
REGISTERED NUMBER: 12390015

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$000	2021 \$000
Fixed assets			
Tangible assets	9	134	103
Investments	10	57	54
		191	157
Current assets			
Debtors: amounts falling due within one year	11	29,349	12,463
Cash at bank and in hand	12	4,893	5,564
		34,242	18,027
Creditors: amounts falling due within one year	13	(32,114)	(16,812)
		2,128	1,215
Net current assets		2,128	1,215
Total assets less current liabilities		2,319	1,372
Provisions for liabilities			
Deferred taxation		(19)	-
		(19)	-
Net assets excluding pension asset		2,300	1,372
Net assets		2,300	1,372
Capital and reserves			
Other reserves	16	1,720	1,032
Profit and loss account carried forward		580	340
		2,300	1,372
		2,300	1,372

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the Parent Company for the year was \$1,316,884 (2021: \$295,780).

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


Vadim Solovey
 Director

The notes on pages 15 to 32 form part of these financial statements.

DOIT INTERNATIONAL UK&I LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Foreign exchange reserve \$000	Other reserves \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2021	-	292	45	337
Comprehensive income for the year				
Profit for the year	-	-	219	219
Total comprehensive income for the year	-	-	219	219
Share based payment movement	-	1,548	-	1,548
Total transactions with owners	-	1,548	-	1,548
At 1 January 2022	-	1,840	264	2,104
Comprehensive income for the year				
Profit for the year	-	-	375	375
Movement in foreign exchange reserve	29	-	-	29
Total comprehensive income for the year	29	-	375	404
Share based payment movement	-	1,499	-	1,499
Total transactions with owners	-	1,499	-	1,499
At 31 December 2022	29	3,339	639	4,007

The notes on pages 15 to 32 form part of these financial statements.

DOIT INTERNATIONAL UK&I LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Other reserves \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2021	241	44	285
Comprehensive income for the year			
Profit for the year	-	296	296
	-	296	296
Total comprehensive income for the year			
Contributions by and distributions to owners			
Share based payment movement	791	-	791
Total transactions with owners	791	-	791
At 1 January 2022	1,032	340	1,372
Comprehensive income for the year			
Profit for the year	-	240	240
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	240	240
Contributions by and distributions to owners			
Share based payment movement	688	-	688
Total transactions with owners	688	-	688
At 31 December 2022	1,720	580	2,300

The notes on pages 15 to 32 form part of these financial statements.

DOIT INTERNATIONAL UK&I LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$000	\$000
Cash flows from operating activities		
Profit for the financial year	375	219
Adjustments for:		
Depreciation of tangible assets	82	32
Taxation charge	718	506
(Increase) in debtors	(19,245)	(9,293)
(Increase)/decrease in amounts owed by groups	(12,760)	-
Increase in creditors	8,500	7,083
Increase in amounts owed to groups	25,533	-
Share based payments	1,499	1,548
Corporation tax (paid)	(698)	(13)
Foreign exchange reserve movement	29	-
Net cash generated from operating activities	<u>4,033</u>	<u>82</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(216)	(160)
Net cash from investing activities	<u>(216)</u>	<u>(160)</u>
Net increase/(decrease) in cash and cash equivalents	<u>3,817</u>	<u>(78)</u>
Cash and cash equivalents at beginning of year	8,288	8,366
Cash and cash equivalents at the end of year	<u><u>12,105</u></u>	<u><u>8,288</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,105	8,288
	<u><u>12,105</u></u>	<u><u>8,288</u></u>

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

DoIT International UK&I Ltd ("the Company") is a private Company limited by shares and incorporated in England & Wales. The registered number is 12390015 and the registered office is 30 Old Bailey, London, United Kingdom, EC4M 7AU.

The principal activity of the business is the provision of multi-cloud expertise, propriety cloud optimisation and governance software.

The functional and presentational currency of the Company is USD dollars and the financial statements are drafted to the nearest thousand dollars.

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.3 Going concern

The accounts are prepared on a going concern basis, which assumes that the Company will continue operations for the foreseeable future. The Company's ability to meet future working capital requirement and therefore continue as a going concern is dependent on it being able to maintain its cash flow. Given the entity's positive net asset position and that it is profit making, the business is well placed to operate within its existing cash resources. Additionally, the ultimate parent company, DoIT International (Israel) has been successful in raising investment and will support its subsidiaries if necessary. The Company is therefore in a strong position to continue trading for the foreseeable future.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Dollars at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 Group 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.

2.6 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 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 reporting 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 Group 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.

2.8 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.9 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.

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:

Computer equipment	-	33% Straight line
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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.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 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.

2.12 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 Consolidated 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 Group's cash management.

2.13 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.

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of Financial Position.

2.15 Financial instruments

The Group 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an on going 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 revision and future periods if the revision affects both current and future periods.

Assessing indicators of impairment

Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and, where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Determining the expected useful life of tangible assets

This has been determined using both judgement and in comparison to similar assets held by other companies operating in the same or similar industries. Depreciation policies are reviewed annually to ensure their accuracy.

Determining the fair value of the employee share options issued

This has been estimated using the Black Scholes model. The fair value of the options is re-calculated yearly to make sure that the share based payments cost included in administrative expenses is a reliable estimate. This is a group scheme, with the value of the options calculated at group level and subsequent charge allocated to the UK sub-group based on the options held by its employees.

There were no other key sources of estimation uncertainty.

4. Turnover

The whole of the turnover is attributable to the one principal activity of the Group.

Analysis of turnover by country of destination:

	2022	2021
	\$000	\$000
United Kingdom	106,840	53,253
Rest of Europe	64,705	19,454
Rest of the world	4,241	-
	<u>175,786</u>	<u>72,707</u>

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	\$000	\$000
Depreciation - owned assets	82	32
Exchange differences	1,883	1,583
	<u>1,883</u>	<u>1,583</u>

6. Auditors' remuneration

	2022	2021
	\$000	\$000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	40	41
	<u>40</u>	<u>41</u>

7. Employees

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

	Group	Group
	2022	2021
	\$000	\$000
Wages and salaries	17,651	9,571
Social security costs	1,625	860
Cost of defined contribution scheme	699	261
	<u>19,975</u>	<u>10,692</u>

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

	2022	2021
	No.	No.
Software staff	59	37
Sales and marketing	41	25
Administration and support	8	3
	<u>108</u>	<u>65</u>

The directors did not receive any remuneration in the year (2021: \$Nil).

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Taxation

	2022	2021
	\$000	\$000
Corporation tax		
Current tax on profits for the year	698	506
	<u>698</u>	<u>506</u>
Total current tax	<u>698</u>	<u>506</u>
Deferred tax		
Origination and reversal of timing differences	19	-
Total deferred tax	<u>19</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>717</u>	<u>506</u>

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	\$000	\$000
Profit on ordinary activities before tax	1,092	725
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	207	138
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	23
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	134	16
Fixed asset differences	(4)	(132)
Foreign income not allowable for UK tax purposes	357	461
Other permanent differences	(1)	-
Remeasurement of deferred tax for changes in tax rates	(2)	-
Movement in deferred tax not recognised	26	-
Total tax charge for the year	717	506

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Tangible fixed assets**Group**

	Computer equipment \$000
Cost	
At 1 January 2022	190
Additions	216
At 31 December 2022	<u>406</u>
Depreciation	
At 1 January 2022	38
Charge for the year on owned assets	82
At 31 December 2022	<u>120</u>
Net book value	
At 31 December 2022	<u>286</u>
At 31 December 2021	<u>152</u>

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Tangible fixed assets (continued)**Company**

	Computer equipment \$000
Cost	
At 1 January 2022	131
Additions	86
At 31 December 2022	<u>217</u>
Depreciation	
At 1 January 2022	28
Charge for the year on owned assets	55
At 31 December 2022	<u>83</u>
Net book value	
At 31 December 2022	<u>134</u>
At 31 December 2021	<u>103</u>

The net book value of land and buildings may be further analysed as follows:

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Fixed asset investments**Company**

	Investments in subsidiary companies \$000
Cost and net book value	
At 1 January 2022	54
Additions	3
At 31 December 2022	<u>57</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
DoIT International NL B.V. (Netherlands)	Claude Debussylaan 10, 1082 MD, Amsterdam, The Netherlands	Ordinary	100%
DoIT International DACH GmbH	c/o Mazars Rechtsanwaltsgesellschaft mbH, Theodor-Stern Kai 1, 60596, Frankfurt am Main, Germany	Ordinary	100%
DoIT International CH Sarl	Rue d'Italie 10, c/o succursale de Geneve, 1204, Geneva, Switzerland	Ordinary	100%
Doit Multi-Cloud Sverige International AB	c/o Mazars, Box 1317, 111 83, Stockholm, Sweden	Ordinary	100%
DoIT International Multi-Cloud Espana, S.L.	Plaza de Francesc Macia, number 4, Floor 4, Door 1, 08021, Barcelona, Spain	Ordinary	100%
DoIT Multi-Cloud International Estonia OU	Harju Maakond, Tartu Mnt 84A Kesklinna, Linnaosa, Tallin, 10112 EE	Ordinary	100%
DoIT International Multi-Cloud Ireland Ltd.	1-2 Victoria Buildings, Haddington Road, Dublin, Ireland	Ordinary	100%

DOIT INTERNATIONAL UK&I LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Debtors

	Group 2022 \$000	Group 2021 \$000	Company 2022 \$000	Company 2021 \$000
Trade debtors	34,012	15,323	20,537	11,636
Amounts owed by group undertakings	13,696	936	8,785	827
Other debtors	555	-	27	-
	<u>48,263</u>	<u>16,259</u>	<u>29,349</u>	<u>12,463</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

12. Cash and cash equivalents

	Group 2022 \$000	Group 2021 \$000	Company 2022 \$000	Company 2021 \$000
Cash at bank and in hand	12,105	8,288	4,893	5,564
	<u>12,105</u>	<u>8,288</u>	<u>4,893</u>	<u>5,564</u>

13. Creditors: Amounts falling due within one year

	Group 2022 \$000	Group 2021 \$000	Company 2022 \$000	Company 2021 \$000
Trade creditors	20	150	(1)	89
Amounts owed to group undertakings	41,679	16,146	23,478	12,413
Other taxation and social security	2,275	1,376	1,079	876
Other creditors	11,144	4,306	7,200	3,238
Accruals and deferred income	1,510	617	358	196
	<u>56,628</u>	<u>22,595</u>	<u>32,114</u>	<u>16,812</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. Deferred taxation

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Deferred taxation (continued)**Group**

**2022
\$000**

Charged to profit or loss

(19)

At end of year

(19)

Company

**2022
\$000**

Charged to profit or loss

(19)

At end of year

(19)

Accelerated capital allowances

Group 2022 \$000	Company 2022 \$000
(19)	(19)
<u>(19)</u>	<u>(19)</u>
<u>(19)</u>	<u>(19)</u>

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Share capital

	2022	2021
	\$000	\$000
Allotted, called up and fully paid		
100 (2021 - 100) 130 shares of \$1.30 each	-	-
	<u> </u>	<u> </u>

16. Reserves**Foreign exchange reserve**

The foreign exchange reserve represents the cumulative movement in foreign currencies of the subsidiary undertakings, when translating into the Group's reporting currency for consolidation.

Other reserves

Other reserves represent the cumulative amounts charged through the profit and loss account in relation to share options that are issued but not exercised.

Profit and loss account

Retained earnings represent the cumulative profits and losses net of dividends and other adjustments.

17. Analysis of net debt

	At 1		At 31
	January	Cash flows	December
	2022	\$000	2022
	\$000		\$000
Cash at bank and in hand	8,288	3,817	12,105
	<u> </u>	<u> </u>	<u> </u>
	<u>8,288</u>	<u>3,817</u>	<u>12,105</u>

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Share based payments

On 1 April 2020, The Board of DoIT International Ltd (the "Parent Company") established the Option Plan (the "Plan"). The Plan provides grant options to purchase ordinary shares of the Parent Company to the Company employees. The parent company passes the related charge to the subsidiary which employs the holder of the option.

The value of the share options were measured using the Black Scholes model. As per the model used, the expected volatility is 60% and the risk free interest rate is 0.39%.

The following table summarises share option activity for the year ended 31 December 2022:

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Granted during the year	1402	263	171.28	5,715
Expired and forfeited during the year	239	(2,020)	168.86	650
Exercised during the year	264	(475)		-
Outstanding at the end of the year		<u>(2,232)</u>		<u>6,365</u>

19. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge amounted to \$156k (2021: \$261k). As at 31 December 2022 the Group owed pension contributions of \$709k (2021: \$67k).

DOIT INTERNATIONAL UK&I LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Related party transactions

As at 31 December 2022, included in debtors were the following balances that were owed to the Group from connected companies under common control:

	2022	2021
	\$000	\$000
Doit International USA Inc	13,231	842,757
Doit International AUS PTY Ltd	(326)	(326,039)
Doit International France SAS	330	98,503
Doit Singapore	134	-
MLS Computer services Ltd	(10)	-
	<u>13,359</u>	<u>615,221</u>

Additionally, included in creditors was \$41,343k (2021: \$15,820k) owed to Doit International Ltd (Israel), which is the ultimate parent company of the Group.

21. Controlling party

At the year end date, the Company was a subsidiary undertaking of Doit International Ltd (Israel). The ultimate parent company was CB Nike Holdco LLC (DE) and the ultimate controlling party was Charlesbank Technology Oportunities Fund Limited Partnership (MA).