

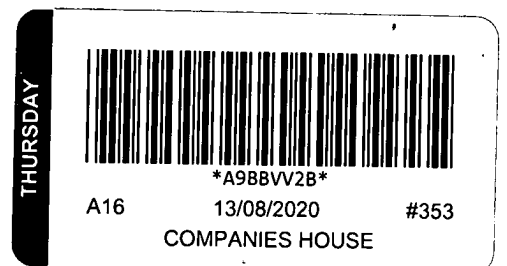
Company Registration No. 08788914 (England and Wales)

**Contino Solutions Limited**

Directors' Report and Financial Statements

for the Year Ended 31 December 2019

Pages for Filing with Registrar



# **Contino Solutions Limited**

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# Contino Solutions Limited

## Company Information

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<b>Directors</b>	Mr Simon White Mr Sanjiv Gossain Mr M Farmer	(Appointed 31 October 2019) (Appointed 31 October 2019) (Resigned 31 October 2019)
<b>Company number</b>	08788914	
<b>Registered office</b>	37 Commercial Road Poole Dorset BH14 0HU	
<b>Auditor</b>	Inspire Audit Ltd Chartered Certified Accountants 37 Commercial Road Poole Dorset BH14 0HU	
<b>Trading address</b>	34-37 Liverpool Street London EC2M 7PP	

# Contino Solutions Limited

## Strategic Report

### For the year ended 31 December 2019

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

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

Contino Solutions Limited is a global Enterprise DevOps, Data and Cloud Transformation Consultancy with offices in London, New York, Atlanta, Sydney and Melbourne. Our mission is to help highly regulated enterprises transform faster, modernise their way of working so they can deliver high quality, secure and compliant software change. We operate with a dual delivery and up-skilling remit to enable our clients to build their own capability. Contino is an AWS Premier Partner, HashiCorp System Integrator Partner and a Kubernetes Certified Service Provider. Contino have been recognised as one of the top 25 start-ups to work for by LinkedIn in 2018 and 2019.

Contino Solution Limited owns 100% of its Australian subsidiary – Contino Pty Ltd. The ultimate Parent company of Contino Solution Limited has been Cognizant Domestic Holdings Corporation since the acquisition by Cognizant in October 2019. The immediate parent remains Contino Holdings Inc.

The company results for 2019 show net profit of £822,494 (2018 loss: £1,802,850) and revenue of £27,318,839 (2018: 14,559,868), representing 88% increase year on year. Contino Solutions Ltd secured £29,433,737 in booked contracts in 2019. Talented consulting teams, unique operating model, distinctive approach to helping clients accelerate their digital transformation as well as innovative engineering culture contributed to the successful performance of the company.

The company had net assets of £10,100,668 in the year ending 2019 (2018: £8,532,291).

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks and uncertainties. The key business risks affecting the Company are set out below:

##### *Competition*

Contino Solutions Ltd operates in highly competitive customer environments with incumbent professional service providers. In order to mitigate the risk of disruption from traditional service providers we focus on customer outcomes and aligning to business value, avoiding the need to compete on price.

##### *Employees*

The company's performance depends largely on its talented employees and the ability to recruit consultants with the right experience and skills is crucial. To mitigate the risks, the company focuses massively on the personal development of our employees, making sure they have the skills and support they need to deliver the best services. We also have an in-house recruitment team with expertise in hiring for specific roles that can be filled quickly.

The IR35 legislation could also impact on the business as Contino employs both permanent staff and contractors. Towards the end of 2019 Company has started implementing policies to mitigate the risks arising from the new legislation. As of 6th April 2020, all Contino staff will be contracted by Contino under two categories only: A) Full time employee entitled to full holiday allowance, sick pay, benefits, perks, pensions and bonuses. B) A contractor who is responsible for their own tax status, via an umbrella company which can prove the individual is IR35 tax compliant.

##### *Political and Economic uncertainties*

Contino is a global company with clients based in UK, Europe and rest of the world. Any negative political, legal or economic conditions might impact on our business. One of the risks includes uncertainties around Brexit and future trade deal with the European Union beyond the end of 2020. Our business could potentially be adversely impacted by foreign exchange, decisions by clients to delay or reduce investments, shortages in skilled workforce.

## **Contino Solutions Limited**

### **Strategic Report (Continued)**

**For the year ended 31 December 2019**

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#### **Key performance indicators**

Contino uses the unique Squads Model where all the functions of the business – Sales, Consulting, Engineering, Finance, Marketing, People, Talent - are working towards KPIs. Company measures its performance using the below Key Performance Indicators:

- *Team Health* - measured using various employee surveys, feedback tools, end of project reviews and performance reviews
- *Delivery of Business Outcome* – successful delivery of projects and adding value to our customers is crucial to company's success. Some of the core KPI's of our customers include: cost reduction by x, increase time to market by x, regulatory compliance and customer satisfaction.
- *Financial Model* - financial KPIs include measures like Revenue Growth (% year on year growth is 88% in 2019), Gross Margin (45.8% in 2019) and PBIT - company reported profits in 2019 for the first time, which represents 3% of Revenue
- *Account Growth* – which includes booked work, key accounts and close relationships with key stakeholders, new opportunities within existing clients and new logos

#### **Subsequent events**

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The management evaluated its 31 December 2019 financial statements for subsequent events through the date the financial statements were issued and have not seen a significant impact on the Company's business to date.

Despite the uncertainties, the Company expects to continue to generate expected demand for the foreseeable future.

# Contino Solutions Limited

## Strategic Report (Continued)

For the year ended 31 December 2019

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### Strategy

The key objectives of the Company are to:


- Create a culture that attracts and retains the very best people in the industry [People]
- Align our entire organisation on delivering market leading measurable outcomes for our customers [Delivery]
- Maintain a commercial model that ensures the long term health and future of Contino [Finance]
- Enable us to grow our engagements and our business predictably, responsibly and effectively [Customer/Sales]

The main strategies to achieve these objectives are to grow our existing strategic customer engagements, to develop net new customer engagements and maximise opportunities through strategic alliances. Contino's strategy is also the industry focus which includes sectors like: Financial Services, Telecommunications, Energy & Utilities, Travel & Transport.

### Acquisition

As a result of being acquired by Cognizant, Contino is now in a stronger position to offer, and more readily deploy, transformative solutions for clients. As part of Cognizant, Contino will now be working in close partnership with its Digital Business practices and have even more opportunity to scale its offerings globally and extend its success. Contino and Cognizant shared expertise in cloud technologies, DevOps, digital engineering, and data analytics, along with the experience of serving many of the same leading clients, will enable Contino to seize new global opportunities and grow at even faster rate.

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

  
Simon White (Aug 4, 2020 09:34 GMT+1)

Mr Simon White  
Director

Date: Aug 4, 2020

# Contino Solutions Limited

## Directors' Report

For the year ended 31 December 2019

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

### Principal activities

The principal activity of the company continued to be that of IT Services Consultancy.

### Directors

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

Mr M Farmer	(Resigned 31 October 2019)
Mr J Siegel Jr.	(Resigned 31 October 2019)
Mr J Booma	(Resigned 31 October 2019)
Mr Simon White	(Appointed 31 October 2019)
Mr Sanjiv Gossain	(Appointed 31 October 2019)

### Results and dividends

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

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


### Auditor

Inspire Audit Ltd were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of disclosure to auditor

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

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

  
Simon White (Aug 4, 2020 09:34 GMT+1)

Mr Simon White  
Director

Date: Aug 4, 2020

## **Contino Solutions Limited**

### **Directors' Responsibilities Statement**

**For the year ended 31 December 2019**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 and then apply them consistently;
- make judgements 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 company will continue in business.

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

# Contino Solutions Limited

## Independent Auditor's Report

### Report to the Shareholders on the preparation of the audited statutory accounts of Contino Solutions Limited

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#### Opinion

We have audited the financial statements of Contino Solutions Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

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

We have nothing to report in this regard.

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

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

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

## **Contino Solutions Limited**

### **Independent Auditor's Report (Continued)**

#### **Report to the Shareholders on the preparation of the audited statutory accounts of Contino Solutions Limited**

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

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

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

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

##### **Responsibilities of directors**

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

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

## Contino Solutions Limited

### Independent Auditor's Report (Continued)

### Report to the Shareholders on the preparation of the audited statutory accounts of Contino Solutions Limited

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

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

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

#### Comparative figures

The comparative figures have not been audited.

#### Use of our report

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

*Inspire Audit Ltd*

**Mr Andrew John Singleton FCCA (Senior Statutory Auditor)**  
for and on behalf of Inspire Audit Ltd

#### Statutory Auditor

37 Commercial Road  
Poole  
Dorset  
BH14 0HU

Date: 12/8/2020

## Contino Solutions Limited

### Statement of Comprehensive Income For the year ended 31 December 2019

		2019	2018
		£	As restated £
<b>Turnover</b>	<b>3</b>	27,318,839	14,559,868
Cost of sales		(14,800,358)	(8,515,199)
<b>Gross profit</b>		<u>12,518,481</u>	<u>6,044,669</u>
Administrative expenses		(12,755,847)	(8,699,722)
Other operating income		937,493	756,259
<b>Operating profit/(loss)</b>	<b>4</b>	<u>700,127</u>	<u>(1,898,794)</u>
Interest receivable and similar income	<b>7</b>	160,626	95,944
<b>Profit/(loss) before taxation</b>		<u>860,753</u>	<u>(1,802,850)</u>
Tax on profit/(loss)	<b>8</b>	(38,259)	-
<b>Profit/(loss) for the financial year</b>		<u><u>822,494</u></u>	<u><u>(1,802,850)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# Contino Solutions Limited

## Balance Sheet

As at 31 December 2019

	Notes	2019		2018 As restated	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9		1,077,441		1,227,434
Tangible assets	10		182,607		159,928
Investments	11		1,734,253		1,734,253
			<u>2,994,301</u>		<u>3,121,615</u>
<b>Current assets</b>					
Debtors	13	9,016,324		5,797,426	
Cash at bank and in hand		2,133,867		1,737,188	
			<u>11,150,191</u>	<u>7,534,614</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(4,005,565)</u>		<u>(2,123,938)</u>	
<b>Net current assets</b>			<u>7,144,626</u>		<u>5,410,676</u>
<b>Total assets less current liabilities</b>			<u>10,138,927</u>		<u>8,532,291</u>
<b>Provisions for liabilities</b>	15		<u>(38,259)</u>		<u>-</u>
<b>Net assets</b>			<u>10,100,668</u>		<u>8,532,291</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,000		1,000
Other reserves			14,205,219		13,459,336
Profit and loss reserves			(4,105,551)		(4,928,045)
<b>Total equity</b>			<u>10,100,668</u>		<u>8,532,291</u>

**Contino Solutions Limited**

**Balance Sheet (Continued)**

**As at 31 December 2019**

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



Simon White (Aug 4, 2020 09:34 GMT+1)

**Mr Simon White**  
**Director**

Date: Aug 4, 2020

Company Registration No. 08788914

The notes on pages 15 to 28 form part of these financial statements.

## Contino Solutions Limited

### Statement of Changes in Equity

For the year ended 31 December 2019

	Share capital	Other reserves	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 January 2018</b>	1,000	5,265,008	(3,125,195)	2,140,813
<b>Year ended 31 December 2018:</b>				
Loss and total comprehensive income for the year	-	-	(1,802,850)	(1,802,850)
Capital contribution	-	8,194,328	-	8,194,328
<b>Balance at 31 December 2018</b>	1,000	13,459,336	(4,928,045)	8,532,291
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year	-	-	822,494	822,494
Capital contribution	-	745,883	-	745,883
<b>Balance at 31 December 2019</b>	1,000	14,205,219	(4,105,551)	10,100,668

# Contino Solutions Limited

## Statement of Cash Flows

For the year Ended 31 December 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	24		(3,854,418)
<b>Investing activities</b>			
Purchase of intangible assets		(6,454)	(1,260,274)
Proceeds on disposal of intangibles		-	(52,707)
Purchase of tangible fixed assets		(123,456)	(141,545)
Proceeds on disposal of tangible fixed assets		2,864	57,669
Purchase of subsidiaries		-	(1,734,178)
Proceeds from other investments and loans		13,635	(397)
Interest received		160,626	95,944
<b>Net cash generated from/(used in) investing activities</b>		47,215	(3,035,488)
<b>Financing activities</b>			
Proceeds from capital contribution		745,883	8,194,328
<b>Net cash generated from financing activities</b>		745,883	8,194,328
<b>Net increase in cash and cash equivalents</b>		396,679	1,304,422
Cash and cash equivalents at beginning of year		1,737,188	432,766
<b>Cash and cash equivalents at end of year</b>		<u>2,133,867</u>	<u>1,737,188</u>

# Contino Solutions Limited

## Notes to the Financial Statements

For the year ended 31 December 2019

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### 1 Accounting policies

#### Company information

Contino Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is 37 Commercial Road, Poole, Dorset, BH14 0HU.

#### 1.1 Accounting convention

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

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

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

#### 1.2 Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent company Cognizant Domestic Holdings Corporation. The directors have received confirmation that for the foreseeable future, Cognizant Domestic Holdings Corporation intends to support the company such that it can meet its liabilities as they fall due.

#### 1.3 Turnover

Revenue from Fixed Price contracts is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is based on the Effort Complete and is calculated by comparing total effort to date (days worked) as a proportion of total effort to date (days worked) and effort remaining (days remaining). Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that is probable will be recovered.

Revenue recognition for Time and Materials projects is based on the time worked in the month multiplied by the daily billing rate.

#### 1.4 Research and development expenditure

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

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

# Contino Solutions Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

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### 1 Accounting policies

(Continued)

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

Software	3 years straight line
Trade name	3 years straight line
Customer relationships	12 years straight line
Non competition agreement	3 years straight line

#### 1.6 Tangible fixed assets

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

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

Fixtures and fittings	3 years straight line
Office equipment	3 years straight line

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

#### 1.7 Fixed asset investments

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

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# Contino Solutions Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash at bank and in hand

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

#### 1.10 Financial instruments

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

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

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

##### Basic financial assets

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

##### Other financial assets

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

# Contino Solutions Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

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### 1 Accounting policies

(Continued)

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

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

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

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

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

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

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

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

#### **Other financial liabilities**

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

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

# Contino Solutions Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.11 Equity instruments**

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **1.12 Taxation**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

#### **1.13 Employee benefits**

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

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

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

#### **1.14 Retirement benefits**

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

# Contino Solutions Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

### 1 Accounting policies (Continued)

#### 1.15 Leases

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

#### 1.16 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Recoverability of trade debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of debtors, the ageing profile of debtors and historical experience.

### 3 Turnover and other revenue

	2019	2018
	£	£
<b>Turnover analysed by class of business</b>		
Sale of services	27,318,839	14,559,868
	<u>27,318,839</u>	<u>14,559,868</u>
	2019	2018
	£	£
<b>Other significant revenue</b>		
Interest income	160,626	95,944
	<u>160,626</u>	<u>95,944</u>
	2019	2018
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	24,509,225	13,687,014
Europe	2,443,167	725,431
Rest of world	366,447	147,423
	<u>27,318,839</u>	<u>14,559,868</u>

# Contino Solutions Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

### 4 Operating profit/(loss)

	2019	2018
	£	£
Operating profit/(loss) for the year is stated after charging:		
Exchange losses	19,330	15,493
Research and development costs	8,626	13,832
Depreciation of owned tangible fixed assets	97,739	55,326
Loss on disposal of tangible fixed assets	174	4,319
Amortisation of intangible assets	156,447	119,343
Operating lease charges	743,327	487,410
	<u>743,327</u>	<u>487,410</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £19,330 (2018 - £15,493).

### 5 Employees

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

	2019	2018
	Number	Number
All	105	72
	<u>105</u>	<u>72</u>

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	12,968,040	7,647,911
Social security costs	2,159,595	1,239,939
Pension costs	348,302	150,819
	<u>15,475,937</u>	<u>9,038,669</u>

### 6 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	337,604	325,100
	<u>337,604</u>	<u>325,100</u>

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

	2019	2018
	£	£
Remuneration for qualifying services	337,604	325,100
	<u>337,604</u>	<u>325,100</u>

## Contino Solutions Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

#### 7 Interest receivable and similar income

	2019	2018
	£	£
<b>Interest income</b>		
Other interest income	160,626	95,944
	<u>160,626</u>	<u>95,944</u>

#### 8 Taxation

	2019	2018
	£	£
<b>Deferred tax</b>		
Origination and reversal of timing differences	38,259	-
	<u>38,259</u>	<u>-</u>
<b>Total tax charge</b>	<u>-</u>	<u>-</u>

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

	2019	2018
	£	£
Profit/(loss) before taxation	860,753	(1,802,850)
	<u>860,753</u>	<u>(1,802,850)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	163,543	(342,542)
Tax effect of expenses that are not deductible in determining taxable profit	29,955	17,121
Tax effect of utilisation of tax losses not previously recognised	(218,914)	-
Unutilised tax losses carried forward	-	317,363
Permanent capital allowances in excess of depreciation	25,383	8,058
Deferred tax	38,259	-
Loss on disposal of fixed assets	33	-
	<u>38,259</u>	<u>-</u>
<b>Taxation charge for the year</b>	<u>38,259</u>	<u>-</u>

# Contino Solutions Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

### 9 Intangible fixed assets

	Software	Trade name	Customer relationships	Non competition agreement	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2019	101,811	59,755	1,195,087	5,432	1,362,085
Additions - separately acquired	-	6,454	-	-	6,454
At 31 December 2019	101,811	66,209	1,195,087	5,432	1,368,539
<b>Amortisation and impairment</b>					
At 1 January 2019	49,104	13,500	70,820	1,227	134,651
Amortisation charged for the year	33,953	1,428	118,026	3,040	156,447
At 31 December 2019	83,057	14,928	188,846	4,267	291,098
<b>Carrying amount</b>					
At 31 December 2019	18,754	51,281	1,006,241	1,165	1,077,441
At 31 December 2018	52,707	46,255	1,124,267	4,205	1,227,434

### 10 Tangible fixed assets

	Fixtures and fittings	Office equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2019	34,799	202,431	237,230
Additions	9,436	114,020	123,456
Disposals	-	(7,330)	(7,330)
At 31 December 2019	44,235	309,121	353,356
<b>Depreciation and impairment</b>			
At 1 January 2019	4,442	72,860	77,302
Depreciation charged in the year	13,678	84,061	97,739
Eliminated in respect of disposals	-	(4,292)	(4,292)
At 31 December 2019	18,120	152,629	170,749
<b>Carrying amount</b>			
At 31 December 2019	26,115	156,492	182,607
At 31 December 2018	30,357	129,571	159,928

# Contino Solutions Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

### 11 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	12	<u>1,734,253</u>	<u>1,734,253</u>

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2019 & 31 December 2019	<u>1,734,253</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>1,734,253</u>
At 31 December 2018	<u>1,734,253</u>

### 12 Subsidiaries

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

Name of undertaking	Registered office	Country of Incorporation	Class of shares held	% Held Direct
Contino PTY Ltd	120 Sussex Street, Sydney, NSW, Australia 2000	Australia	Ordinary	100
Dylis Consulting Pty Ltd	289 Flinders Lane, Melbourne, Victoria, 3000	Australia	Ordinary	100

### 13 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,390,306	1,481,795
Amounts owed by group undertakings	3,495,877	2,682,989
Other debtors	1,069,514	537,671
Prepayments and accrued income	1,060,627	1,094,971
	<u>9,016,324</u>	<u>5,797,426</u>

## Contino Solutions Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

#### 14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	439,263	477,090
Taxation and social security	1,667,660	1,121,331
Other creditors	76,569	32,313
Accruals and deferred income	1,822,073	493,204
	<u>4,005,565</u>	<u>2,123,938</u>

#### 15 Provisions for liabilities

	Notes	2019	2018
		£	£
Deferred tax liabilities	16	38,259	-
		<u>38,259</u>	<u>-</u>

#### 16 Deferred taxation

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

	Liabilities 2019	Liabilities 2018
	£	£
<b>Balances:</b>		
Accelerated capital allowances	38,259	-
	<u>38,259</u>	<u>-</u>
<b>Movements in the year:</b>		2019
		£
Liability at 1 January 2019		-
Charge to profit or loss		38,259
Liability at 31 December 2019		<u>38,259</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

## Contino Solutions Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

#### 17 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	348,302	150,819

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

#### 18 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
500 Ordinary Shares of £1 each	500	500
500 Ordinary A Shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

#### 19 Prior year adjustment

In the prior year's financial statements goodwill had been recognised on the acquisition of a subsidiary company. This should have been recognised as an investment in the balance sheet and a prior period adjustment has been made to correct this.

This has resulted in a decrease in the prior year loss of £122,796.

#### 20 Operating lease commitments

##### Lessee

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

	2019	2018
	£	£
Within one year	1,180,339	856,663
Between two and five years	99,669	-
	<u>1,280,008</u>	<u>856,663</u>

# Contino Solutions Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

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### 21 Related party transactions

#### Other related party transactions

During the year the company made the following related party transactions:

#### Parent Company

During the year a total of £745,883 was advanced to Contino Solutions Limited by the parent company as a capital contribution. No interest was charged on this balance. At the balance sheet the amount included within other reserves was £14,205,219 (2018: £13,459,336).

#### Under common control

During the year Contino Solutions Limited made sales totalling £38,500 (2018: £32,440) to a related company and purchased services totalling £128,734 (2018: £nil).

At the balance sheet date the amount due from the related company and included within other debtors was £825,056 (2018: £359,027).

During the year Contino Solutions Limited made sales totalling £138,617 (2018: £26,974) to a related company. Interest of £256,174 was charged on the outstanding balance.

At the balance sheet date the amount due from the related company and included within other debtors was £3,495,877 (2018: £2,587,441).

### 22 Directors' transactions

Dividends totalling £0 (2018 - £0) were paid in the year in respect of shares held by the company's directors.

#### A director and shareholder of the company

During the year a total of £nil was advanced to and a total of £13,635 was credited by the director in respect of his current account. At the balance sheet date the amount due from the director was £nil (2018 : £13,635).

### 23 Ultimate controlling party

The company is controlled by Contino Holdings Inc. a company incorporated in the United States of America by virtue of its 100% ownership of the company's issued share capital. The ultimate controlling party is Cognizant Domestic Holdings Corporation.

## Contino Solutions Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

#### 24 Cash absorbed by operations

	2019 £	2018 £
Profit/(loss) for the year after tax	822,494	(1,802,850)
<b>Adjustments for:</b>		
Taxation charged	38,259	-
Investment income	(160,626)	(95,944)
Loss on disposal of tangible fixed assets	174	4,319
Amortisation and impairment of intangible assets	156,447	119,343
Depreciation and impairment of tangible fixed assets	97,739	55,326
<b>Movements in working capital:</b>		
Increase in debtors	(3,232,533)	(2,667,772)
Increase in creditors	1,881,627	533,160
<b>Cash absorbed by operations</b>	<u>(396,419)</u>	<u>(3,854,418)</u>

#### 25 Analysis of changes in net funds

	1 January 2019 £	Cash flows	31 December 2019 £
Cash at bank and in hand	1,737,188	396,679	2,133,867
	<u>1,737,188</u>	<u>396,679</u>	<u>2,133,867</u>