

ASITE SOLUTIONS LIMITED

FINANCIAL STATEMENTS

30 JUNE 2023

ASITE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	N R Doughty N A Martin R Tchenguz D Gera
Company secretary	Sandip Gadhia
Registered number	04040122
Registered office	7th Floor Leconfield House Curzon Street London W1J 5JA
Independent auditor	Armstrong Watson Audit Limited Statutory Auditor & Chartered Accountants Third Floor 10 South Parade Leeds LS1 5QS

ASITE SOLUTIONS LIMITED

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ASITE SOLUTIONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The Directors present their Strategic Report for the year ended 30 June 2023.

Business review

I am pleased to report that the Company has continued its growth and increased its global footprint over the past 12 months. For the year ended 30 June 2023 revenue increased by 17.5% from £11,636,731 to £13,669,607 and the operating loss was £4,916,877 a decrease of £517,773 from an operating loss of £5,434,650 in the year ended 30 June 2022.

Asite's vision is to connect people and help the world build better.

The Asite Platform continues to push the boundaries of research and innovation in the fields of digital engineering and data logistics on behalf of our customers. This positions us well to deliver on our strategic plan to become the world's leading data logistics platform for the built environment, providing the software to connect the physical, digital, and human.

Key performance indicators

Asite continues to manage the business through both financial Key Performance Indicators (KPIs) as listed below, and non-financial KPIs such as number of users, number of clients and churn rate.

The Directors consider Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA), Global Headcount, and Annual Recurring Revenue (ARR) to be strategically important KPIs for the business and we continuously monitor these KPIs in accordance with the key metrics of the business:

2023 2022

Turnover (£)	13,669,607	11,636,731
EBITDA (£)	(3,626,701)	(4,539,128)
As a % of Turnover	(27)	(39)

The year on year increase in EBITDA is largely attributable to the increase in revenue and strong control over distribution and administrative expenses.

Headcount KPI

2023 2022

Headcount (Average)	71	73
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Average Headcount has decreased by 3% year on year.

Annual Recurring Revenue KPI

2023 2022

Annual Recurring Revenue (£m)	14.1	10.7
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Annual Recurring Revenue has increased by 32% year on year.

ASITE SOLUTIONS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Principal risks and uncertainties

We undertake a continuous risk review strategy of our operations and continue to implement appropriate mitigation strategies for those risks which we have assessed as critical to the ongoing operations of the Company. Significant risks identified cover recruitment and retention of key staff, system performance, technology obsolescence, client base plurality, product diversity and regulatory environment. The Company continues to monitor these risks and to update and amend mitigating strategies as appropriate.

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

.....
N R Doughty

Director

Date: 28 March 2024

ASITE SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Directors present their report and the financial statements for the year ended 30 June 2023.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company is to provide a Software as a Service (SaaS) digital engineering platform to integrate supply chains for capital projects, infrastructure developments, and asset management.

Results and dividends

The loss for the year, after taxation, amounted to £4,912,867 (2022 - £7,177,980).

No dividends were paid during the year (2022: £Nil). The Directors do not recommend the payment of a final dividend.

Directors

The Directors who served during the year were:

N R Doughty
N A Martin
R Tchenguiz
D Gera

Future developments

The Directors are not expecting to make any significant changes in the nature of the business in the near future but continued growth via investment in marketing, R&D and ecosystem partnerships remain a key focus for the Company's growth.

ASITE SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Research and development activities

The Company continues to invest in research and development in the field of digital engineering. Research and development costs incurred during the year to 30 June 2023 totalled £3,072,789 (2022: £2,525,272) all of which was capitalised. The Directors regard investment in this area as a prerequisite for success in the medium to long term future.

Financial instruments

Objectives and policies

The Company is exposed to price risk, credit risk, liquidity risk, cash flow and foreign currency risk. The Directors review risk management strategies regularly.

Price

The Company has minimal exposure to price risk as all prices are pre-set by management.

Credit

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. Credit risk is managed by monitoring payments against contractual agreements and if required suspension of dealing with customers in case of non-payments. A debt collection agency was also engaged to support collections in defined instances.

Liquidity

Liquidity risk arises from the Company's management of working capital and the finance charges on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Board receives regular cash flow statements as well as information regarding cash balances. At the end of the financial year, the cashflow projections indicated that the Company is expected to have sufficient liquidity. The decisions taken by management to reduce costs has mitigated any immediate liquidity risk without prohibiting the business from delivering its core functions.

Cash flow

The Company is exposed to cash flow risk as a result of the timing between paying suppliers and the receipt of money from customers and management manage this through regular review.

Foreign currency

The Company is exposed to foreign currency risk through its overseas investments and operations in various countries across the world. The Company hedges against these currency risks.

Creditor payment policy

The Company does not have a policy to follow any code or standard on payment practice. However, the Company will continue to settle the terms of payment with its suppliers and, when agreeing the terms of each transaction, will ensure that those suppliers are aware of the terms of payment and will abide by those terms of payment, unless subsequently renegotiated.

ASITE SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Going concern

The Directors have prepared the financial statements on a going concern basis notwithstanding a loss of £4,912,867 during the year, and a further substantial loss post year end.

Following the year end, the Directors have taken steps to reduce the Company's cost base. Significant savings have already been made and will continue to be made over the coming months, and the forecasts for the year ended June 2024 show the Company return to positive EBITDA performance.

In preparing the forecasts on which the going concern basis has been based, the Directors have considered the existence of a material uncertainty which may cast doubt upon the Company's ability to continue as a going concern. The view of the Directors is that the only area of material judgement within the forecasts is the assumption around future sales growth. While the Directors are optimistic about the Company's ability to increase its recurring revenues, even on a sensitised basis assuming zero growth to the Company's current monthly recurring revenues, the Company would still have sufficient headroom within its cash and newly secured £15m borrowing facilities to meet its liabilities as they fall due and continue as a going concern.

On this basis, the Directors are confident that no material uncertainty exists and that it is appropriate to prepare the financial statements on a going concern basis.

Directors liabilities

Directors' and officers' liability insurance has been purchased by the Company during the year. The Company's Articles of Association provide, subject to the provision of UK legislation, an indemnity for the Directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers. This includes any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Company's directors.

Disclosure of information to auditor

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

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

Post balance sheet events

In February 2024, a £15m term loan facility was secured at a margin of 8.5% plus the SONIA rate. The term of the loan is five years and repayment is due in full on the termination date in February 2029.

The Group structure has now changed, with Asite Management Services Limited, a company incorporated in England and Wales becoming the immediate parent undertaking of Asite Solutions Limited.

ASITE SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Auditor

The auditor, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

.....
N R Doughty

Director

Date: 28 March 2024

ASITE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASITE SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Asite Solutions Limited (the 'Company') for the year ended 30 June 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 30 June 2023 and of its loss 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The 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. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASITE SOLUTIONS LIMITED (CONTINUED)

Opinion 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASITE SOLUTIONS LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation GDPR and occupational health and employment legislation.
- We enquired of the Directors, reviewed correspondence with HMRC and reviewed directors' meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Directors have in place to ensure compliance.
- We gained an understanding of the controls that the Directors have in place to prevent and detect fraud. We enquired of the Directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: revenue recognition and management override of controls.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Directors and third-party advisors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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.

ASITE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASITE SOLUTIONS LIMITED (CONTINUED)

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.

Matthew Osbourne (Senior Statutory Auditor)

for and on behalf of

Armstrong Watson Audit Limited

Statutory Auditor

Chartered Accountants

Leeds

28 March 2024

ASITE SOLUTIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Turnover	4	13,669,607	11,636,731
Cost of sales		(2,686,456)	(1,504,980)
Gross profit		10,983,151	10,131,751
Distribution costs		(7,813,921)	(7,332,506)
Administrative expenses		(8,162,050)	(8,233,895)
Other operating income	5	5,550	-
Operating loss	6	(4,987,270)	(5,434,650)
Interest receivable and similar income	10	4,010	2,119
Loss before tax		(4,983,260)	(5,432,531)
Tax on loss	11	70,393	(1,745,449)
Loss for the financial year		<u>(4,912,867)</u>	<u>(7,177,980)</u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 14 to 29 form part of these financial statements.

ASITE SOLUTIONS LIMITED
REGISTERED NUMBER: 04040122

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	6,412,144	4,325,193
Tangible assets	13	93,609	176,735
Investments	14	72,623	72,623
		6,578,376	4,574,551
Current assets			
Debtors: amounts falling due within one year	15	6,228,354	5,842,340
Cash at bank and in hand	16	683,955	483,269
		6,912,309	6,325,609
Creditors: amounts falling due within one year	17	(17,366,708)	(9,863,316)
Net current liabilities		(10,454,399)	(3,537,707)
Total assets less current liabilities		(3,876,023)	1,036,844
Net (liabilities)/assets		(3,876,023)	1,036,844
Capital and reserves			
Called up share capital	18	7,160	7,160
Profit and loss account	19	(3,883,183)	1,029,684
		(3,876,023)	1,036,844

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

.....
N R Doughty
Director

Date: 28 March 2024

The notes on pages 14 to 29 form part of these financial statements.

ASITE SOLUTIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2021	7,160	8,207,664	8,214,824
Loss for the year	-	(7,177,980)	(7,177,980)
	7,160	1,029,684	1,036,844
At 1 July 2022	7,160	1,029,684	1,036,844
Loss for the year	-	(4,912,867)	(4,912,867)
	7,160	(3,883,183)	(3,876,023)
At 30 June 2023	7,160	(3,883,183)	(3,876,023)

The notes on pages 14 to 29 form part of these financial statements.

ASITE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General information

The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The Company is tax resident in the United Kingdom. It trades from its registered office address - 7th Floor Leconfield House, Curzon Street, London, England, W1J 5JA.

The principal activity of the Company is to provide collaborative Software as a Service (SaaS) to the Architectural, Engineering and Construction (AEC) industry to promote successful supply chain collaboration.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Asite Limited as at 30 June 2023 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.4 Going concern

The Directors have prepared the financial statements on a going concern basis notwithstanding a loss of £4,912,867 during the year, and a further substantial loss post year end.

Following the year end, the Directors have taken steps to reduce the Company's cost base. Significant savings have already been made and will continue to be made over the coming months, and the forecasts for the year ended June 2024 show the Company return to positive EBITDA performance.

In preparing the forecasts on which the going concern basis has been based, the Directors have considered the existence of a material uncertainty which may cast doubt upon the Company's ability to continue as a going concern. The view of the Directors is that the only area of material judgement within the forecasts is the assumption around future sales growth. While the Directors are optimistic about the Company's ability to increase its recurring revenues, even on a sensitised basis assuming zero growth to the Company's current monthly recurring revenues, the Company would still have sufficient headroom within its cash and newly secured £15m borrowing facilities to meet its liabilities as they fall due and continue as a going concern.

On this basis, the Directors are confident that no material uncertainty exists and that it is appropriate to prepare the financial statements on a going concern basis.

2.5 Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer (i.e., when the company delivers its performance obligation under the contract) at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company typically enters into multi-element arrangements which include software licence fees, consultancy and training services. Revenue is allocated to the elements of the arrangement based upon the fair value of each element.

The Company sells a licence for access to its products which are hosted from the Company's dedicated servers. The license fees grant access to web space for the duration of the customer's project and include maintenance and support. The revenue for the licence is recognised on an accruals basis to match the period of use by the customer until the end of the contract. The unrecognised element is included within 'deferred income' and the amount recognised prior to billing is included within 'accrued income'.

Training revenue relates to customer training to use the product. Consultancy revenue relates to the initial tailoring of the product to match the needs of the project and on-going consultancy work provided to the customer post implementation. Revenue is recognised on the consulting and training fees based on fixed daily rates as the service is provided. The fixed daily rates are predetermined at the contract signing date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pound Sterling as this is the currency of the primary economic environment in which the Company operates.

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.

2.7 Operating leases: the Company as lessee

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

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is considered to be 5 years.

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

2.9 Interest income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.10 Intangible assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

The estimated useful lives range as follows:

Website	-	5 years
Internally generated software development costs	-	5 years
Distribution licences	-	5 years
Software licences	-	5 years

2.11 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Fixtures, fittings & 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.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Associates

Associates held at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.14 Debtors

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

2.15 Cash and cash equivalents

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

2.16 Creditors

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

2.17 Financial instruments

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

2.18 Pensions

Defined contribution pension plan

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.19 Taxation

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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

The preparation of these financial statements requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal the related actual results.

The Directors consider the key accounting estimates to be valuation and capitalisation of development costs, and residual values of intangible fixed assets, and provision for trade debtors.

At the start of an internally developed project management assess if it will generate probable future economic benefits and meet the criteria for the costs to be capitalised. Once management conclude it meets the criteria they then use their judgement to assess the allocation of costs that specifically relate to the project.

The residual values of intangible fixed assets are reviewed on an ongoing basis by the Directors.

Provisions for trade debtors are reviewed by the Directors on an ongoing basis who use their specific industry knowledge and experience to ensure the correct judgements.

ASITE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

4. Turnover

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

	2023 £	2022 £
Software licence fees	11,670,595	9,192,662
Software development consultancy	1,653,275	2,146,795
Training services	345,737	297,274
	13,669,607	11,636,731

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom and Europe	13,037,302	11,061,977
Rest of the world	632,305	574,754
	13,669,607	11,636,731

5. Other operating income

	2023 £	2022 £
Other operating income	5,550	-
	5,550	-

6. Operating loss

The operating loss is stated after charging:

	2023 £	2022 £
Depreciation and amortisation	1,290,177	895,523
Exchange differences	6,078	28,437
Operating lease rentals	520,269	266,288
	520,269	266,288

ASITE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	20,000	18,000

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

8. Employees

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	3,284,907	3,377,965
National Insurance	537,598	540,458
Pension costs	112,018	106,426
	3,934,523	4,024,849

The average monthly number of employees, including directors, during the year was 71 (2022 - 73).

9. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	235,667	678,913
Company contributions to defined contribution pension schemes	7,070	18,435
	242,737	697,348

The highest paid Director received remuneration of £186,667 (2022 - £300,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £5,600 (2022 - £9,000).

The total accrued pension provision of the highest paid Director at 30 June 2023 amounted to £1,000 (2022 - £750).

ASITE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10. Interest receivable

	2023 £	2022 £
Interest receivable from group companies	4,010	2,119
	<u>4,010</u>	<u>2,119</u>

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	(70,393)	(842,178)
	<u>(70,393)</u>	<u>(842,178)</u>
	<u>(70,393)</u>	<u>(842,178)</u>
Deferred tax		
Origination and reversal of timing differences	-	2,587,627
	<u>-</u>	<u>2,587,627</u>
Total deferred tax	<u>-</u>	<u>2,587,627</u>
Taxation on (loss)/profit on ordinary activities	<u>(70,393)</u>	<u>1,745,449</u>

ASITE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023	2022
	£	£
Loss on ordinary activities before tax	<u>(4,983,260)</u>	<u>(5,432,531)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	(1,171,066)	(1,032,181)
Effects of:		
Expenses not deductible for tax purposes	435	1,778
Adjustment in research and development tax credit leading to a decrease in the tax charge	(984,586)	(842,178)
Unrecognised tax losses	2,084,824	3,618,030
Total tax charge for the year	<u>(70,393)</u>	<u>1,745,449</u>

Factors that may affect future tax charges

There are no known factors at the current time that may materially impact future tax charges.

ASITE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

12. Intangible assets

	Website	Internally generated software development costs	Software licences	Distribution licences	Total
	£	£	£	£	£
Cost					
At 1 July 2022	137,530	7,506,036	154,821	-	7,798,387
Additions	-	3,072,789	78,123	131,040	3,281,952
		<u>10,578,825</u>			
At 30 June 2023	<u>137,530</u>	<u>10,578,825</u>	<u>232,944</u>	<u>131,040</u>	<u>11,080,339</u>
Amortisation					
At 1 July 2022	29,691	3,408,479	35,024	-	3,473,194
Charge for the year on owned assets	27,506	1,127,235	40,260	-	1,195,001
		<u>4,535,714</u>			
At 30 June 2023	<u>57,197</u>	<u>4,535,714</u>	<u>75,284</u>	<u>-</u>	<u>4,668,195</u>
Net book value					
At 30 June 2023	<u>80,333</u>	<u>6,043,111</u>	<u>157,660</u>	<u>131,040</u>	<u>6,412,144</u>
		<u>4,097,557</u>			
At 30 June 2022	<u>107,839</u>	<u>4,097,557</u>	<u>119,797</u>	<u>-</u>	<u>4,325,193</u>

ASITE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

13. Tangible fixed assets

	Fixtures, fittings and equipment £
Cost or valuation	
At 1 July 2022	457,402
Additions	12,050
Disposals	(1,437)
	468,015
At 30 June 2023	468,015
Depreciation	
At 1 July 2022	280,667
Charge for the year on owned assets	95,176
Disposals	(1,437)
	374,406
At 30 June 2023	374,406
Net book value	
At 30 June 2023	93,609
At 30 June 2022	176,735

ASITE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. Fixed asset investments

	Investments in subsidiary companies	Investments in associates	Total
	£	£	£
Cost or valuation			
At 1 July 2022	28,416	44,207	72,623
At 30 June 2023	28,416	44,207	72,623

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Asite Solutions Private Limited	A4, Shivalik Business Centre, Bh. Rajpath Club, Bodakdev, Ahmedabad 380015, Gujarat, India	Ordinary	99.7 %
Asite LLC	1725 Hughes Landing, Suite 11, The Woodlands, Texas, 77 380	Ordinary	100 %
Asite Solutions PTY Ltd	1 Sussex Street, Sydney, NSW 2000	Ordinary	100 %
Asite Solutions HK Limited	21/F, 14 Taikoo Wan Rd, Cityplaza Phase 3, Taikoo Shing, Hong Kong	Ordinary	100 %
Asite Solutions DMCC	Office: 1506, Saba Tower 1, Jumeirah Lakes Towers, Dubai	Ordinary	100 %
Saudi Asite Company for communications and Info Technology	3141 Anas Ibn Malik - Al Malqa Dist, Unit 4608, Riyadh 13521-8292, KSA	Ordinary	100 %
Asite Solutions BV	Weteringschans 165, 1017 XD Amsterdam, Netherlands	Ordinary	100 %

ASITE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

15. Debtors

	2023	2022
	£	£
Trade debtors	2,662,791	2,539,110
Other debtors	2,771,593	2,224,592
Prepayments and accrued income	793,970	1,078,638
	<u>6,228,354</u>	<u>5,842,340</u>

Amounts owed by group undertakings are repayable on demand with interest charged at annual rates between 0% to EURIBOR 12 months interest rate +1.5% on amounts due.

Included within other debtors at the year end is a balance of £1,862,406 (2022: £1,364,472) due from an associate. The balance is repayable on demand with no interest incurred on amounts due.

Included within trade debtors at the year end is a balance of £473,232 (2022: £473,232) due from an associate. The balance is repayable on demand with no interest incurred on amounts due.

16. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	683,955	483,269
	<u>683,955</u>	<u>483,269</u>

17. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,051,953	999,781
Amounts owed to group undertakings	10,975,790	5,285,126
Other taxation and social security	1,529,308	704,191
Other creditors	42,913	22,650
Accruals and deferred income	3,766,744	2,851,568
	<u>17,366,708</u>	<u>9,863,316</u>

The Company has given as security to HSBC a fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future.

ASITE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

18. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
7,160 (2022 - 7,160) Ordinary shares of £1.00 each	<u>7,160</u>	<u>7,160</u>

There is a single class of ordinary shares. There are no restrictions on distribution of dividends and the repayment of capital.

19. Reserves

Share premium account

Share premium is the amount received by the Company over and above the face value of its shares.

Profit and loss account

This reserve represents the accumulated distributable profits.

20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £112,018 (2022 - £106,426). Contributions totalling £42,913 (2022 - £22,650) were payable to the fund at the balance sheet date and are included in creditors.

21. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	-	55,254
	<u>-</u>	<u>55,254</u>

ASITE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

22. Related party transactions

Included within other debtors at the year end is a balance of £1,862,406 (2022: £1,364,472) due from Openwage Limited, an associate. Included within trade debtors at the year end is a balance of £473,232 (2022: 473,232) due from Openwage Limited. The total sales in the year to this associate was £Nil (2022: £254,032). The balances are repayable on demand with no interest incurred on amounts due.

Included within amounts owed to group undertakings at the year end is a balance of £2,364,399 (2022: £1,605,198) due to a subsidiary, Asite Solutions Private Limited. The total expenditure incurred in the year with this subsidiary was £6,124,101 (2022: £4,826,479). The balance is repayable on demand with no interest incurred on amounts due.

In the year sales of £18,000 (2022: £18,000) were made to R20 Advisory Limited, a company with common directors and shareholders. At the year end a balance of £3,600 (2022: £1,800) is included within trade debtors.

In the year expenditure of £Nil (2022: £77,068) was incurred from R20 Advisory Limited, a company with common directors and shareholders.

23. Post balance sheet events

In February 2024, a £15m term loan facility was secured at a margin of 8.5% plus the SONIA rate. The term of the loan is five years and repayment is due in full on the termination date in February 2029.

The Group structure has now changed, with Asite Management Services Limited, a company incorporated in England and Wales becoming the immediate parent undertaking of Asite Solutions Limited.

24. Controlling party

The immediate parent undertaking and parent undertaking of the smallest and largest group in which the Company is consolidated is Asite Limited, a company incorporated in England and Wales. The registered office of Asite Limited is 7th Floor, Leconfield House, Curzon Street, London, W1J 5JA. Consolidated accounts of Asite Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. This group is owned by a number of private shareholders and companies and as such the Directors do not there to be an ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.