

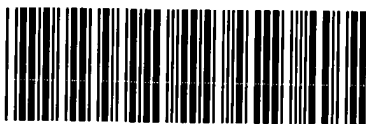
Registered number: 05454622

CONCENTRA CONSULTING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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CONCENTRA CONSULTING LIMITED

COMPANY INFORMATION

Directors	Tim Ross (appointed 25 February 2019) Rupert Morrison Dominic Ely (appointed 1 October 2018, resigned 25 February 2019) Luke Robertson (appointed 24 September 2019) Ben Scott Knight (resigned 1 October 2018)
Company secretary	Tim Ross (appointed 1 October 2018)
Registered number	05454622
Registered office	100 Cheapside London EC2V 6DT
Independent auditor	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT

CONCENTRA CONSULTING LIMITED

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CONCENTRA CONSULTING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

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

Results

The loss for the year, after taxation, amounted to £4,446,054 (2018: loss £1,105,221). The Company paid no dividends during the year (2018: £Nil).

Principal activity

The principal activity of the Company during the year was the development, sale and support of its proprietary software as a service (SaaS) products and the provision of consulting services. The Company also received royalties on sales of its intellectual property by other group entities, and provided management support services to subsidiaries.

Business review and future developments

Concentra Consulting Limited is the UK trading company in the Concentra Group (the "Group"), ultimately owned by Concentra Analytics Limited.

Concentra Analytics Limited completed a new funding round from existing and external investors on 12 April 2018 with funding coming from a consortium of growth equity providers including One Peak Partners and Morgan Stanley. The fundraising was undertaken to allow significant increases in investment in the Group's SaaS solutions, commercial organisation and to extend its international footprint.

The Group ended the financial year to 31 March 2019 with overall revenue increasing from £20.1m to £20.5m with software licence revenue growing 12% as investments in the commercial organization showed initial returns. In particular, the Group secured a large number of SaaS clients in the later part of the financial year. While this had limited impact on software revenue in the current financial year, this will lead to strong software revenue growth in the next financial year.

Following the funding round, the Group made significant investments in the Sales & Marketing and Client Success departments to facilitate continued revenue growth and in the Product Management and Software Engineering departments to accelerate development of the Group's SaaS products. As a result of these increased investments, the Group ended the year with an operating loss of £9.3m (2018: £1.7m). The loss was expected and future losses are forecast to narrow as revenue growth increases on the back of strong investment in the business.

The Group remained well capitalised at year end with £12m total equity (2018: £3.3m) and £9.8m of cash and cash equivalents (2018: £4.8m), with no senior bank debt on the balance sheet.

In October 2019 the Group transferred its SupplyVue product offering to a separate entity to enable it to obtain external capital to help grow its supply chain analytics business. The Group maintains a minority stake in the new entity. Further details can be found in Note 27 to the Financial Statements.

CONCENTRA CONSULTING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Principal risks and uncertainties

The Company operates in the information technology sector, a competitive market place in which new product development through technological advances is constant. The continued investment in R&D ensures the Company can stay ahead of the competition and react to market developments and excellence in delivery ensures strong client relationships.

The terms on which the United Kingdom may withdraw from the European Union are not yet clear. The Board have considered the various opportunities and challenges which 'Brexit' may present but it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy until greater clarity emerges from ongoing political negotiations.

Other risks are managed through a monthly reporting cycle by both the Executive Committee and the Board. Individual departments report on specific risks and related actions.

Financial risk management

The Company's principal financial assets are cash and debtors. The principal credit risk arises from the Company's trade debtors. The risk is limited as key counterparties have high credit ratings assigned by international credit rating agencies.

Financial key performance indicators

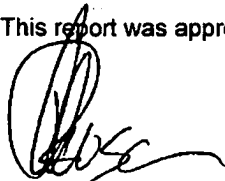
The Board review a set of financial indicators through their monthly board reporting cycle. Particular emphasis is placed upon annual recurring revenue from new client wins, and billings.

At a group level, the Board focus on earnings before interest, tax, depreciation and amortisation (EBITDA), operational cash flow and cash balances.

Other key performance indicators

The Board also consider other factors on a monthly basis that give an indication as to operating performance, including utilisation, charge-out rates, project margins and gross contribution.

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



Rupert Morrison
Director

Date: 31 January 2020

CONCENTRA CONSULTING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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

Principal activity

The principal activity of the Company during the year was the development, sale and support of its proprietary software products and the provision of consulting services. The Company also received royalties on sales of its intellectual property by other group entities, and provided management support services to subsidiaries.

Results and dividends

The loss for the year, after taxation, amounted to £4,446,054 (2018: loss £1,105,221).

The directors did not recommend paying a dividend (2018: £Nil).

Directors

The directors who served during the year and subsequently were:

Tim Ross (appointed 25 February 2019)

Rupert Morrison

Dominic Ely (appointed 1 October 2018, resigned 25 February 2019)

Ben Scott Knight (resigned 1 October 2018)

Luke Robertson (appointed 24 September 2019)

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

CONCENTRA CONSULTING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Matters covered in strategic report

Principal risks and uncertainties, financial risk management, financial key performance indicators and other key performance indicators have been included within the Strategic Report.

Qualifying third party indemnity provisions

The Company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

Going Concern

As at 31 March 2019, the Company had a net liabilities balance of £3.8m (2018: £0.5m net assets), which included intercompany loans receivable of £6.7m (2018: £3.6m). However, the directors have prepared the financial statements on a going concern basis as the parent company of the Group, Concentra Analytics Limited, has pledged its continuing support for a minimum of 12 months from the date of issuing these financial statements. Additionally, sensitised forecasts have been prepared which demonstrate that the Group is expected to have sufficient funds to meet its obligations as they fall due for a period of not less than 12 months from the signing date of these financial statements and the directors have reviewed these forecasts. The directors are satisfied that they have the ability to manage the Company's cash, commitments and working capital to ensure that all liabilities can be settled and obligations met and, on this basis, consider it appropriate that the financial statements have been prepared on a going concern basis.

Disclosure of information to auditor

The directors confirm that:

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

Auditor

The auditor, Grant Thornton UK LLP, 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.



Rupert Morrison
Director

Date: 31 January 2020



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCENTRA CONSULTING LIMITED

Opinion

We have audited the financial statements of Concentra Consulting Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 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 31 March 2019 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 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCENTRA CONSULTING LIMITED
(CONTINUED)**

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 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCENTRA CONSULTING LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement 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.

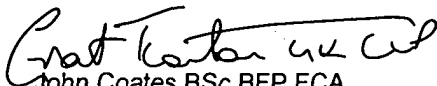
Auditor's responsibilities for the audit of the financial statements

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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.



John Coates BSc BFP FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

31 January 2020

CONCENTRA CONSULTING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	Restated 2018 £
Turnover	4	18,654,568	17,668,235
Cost of sales		(5,713,918)	(6,285,637)
Gross profit		12,940,650	11,382,598
Administrative expenses		(19,533,107)	(11,632,409)
Exceptional costs	6	(55,735)	(1,533,837)
Operating loss	5	(6,648,192)	(1,783,648)
Interest receivable and similar income	10	3,605	1,768
Interest payable and similar charges	11	-	(4,063)
Loss before tax		(6,644,587)	(1,785,943)
Tax credit on loss	12	2,198,533	680,722
Loss for the financial year		(4,446,054)	(1,105,221)

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The above results were derived from continuing operations.

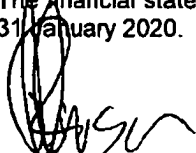
The notes on pages 11 to 30 form part of these financial statements.

CONCENTRA CONSULTING LIMITED
REGISTERED NUMBER:05454622

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	198,231	-
Tangible assets	14	1,031,085	828,745
Investments	15	1,119	10
		<u>1,230,435</u>	<u>828,755</u>
Current assets			
Debtors: amounts falling due after more than one year	16	662,670	662,670
Debtors: amounts falling due within one year	16	14,066,024	7,963,968
Cash at bank and in hand	17	6,387,447	1,851,171
		<u>21,116,141</u>	<u>10,477,809</u>
Creditors: amounts falling due within one year	18	(26,166,206)	(10,852,922)
Net current liabilities		<u>(5,050,065)</u>	<u>(375,113)</u>
Total assets less current liabilities		<u>(3,819,630)</u>	<u>453,642</u>
Net (liabilities)/assets		<u>(3,819,630)</u>	<u>453,642</u>
Capital and reserves			
Called up share capital	20	5,656	5,656
Share premium account	21	968,185	968,185
Capital redemption reserve	21	820	820
Capital contribution reserve	21	605,603	432,821
Profit and loss account	21	(5,399,894)	(953,840)
Equity attributable to owners of the Company		<u>(3,819,630)</u>	<u>453,642</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 January 2020.



Rupert Morrison
Director

The notes on pages 11 to 30 form part of these financial statements.

CONCENTRA CONSULTING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Share premium account	Capital redemption reserve	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2018	5,656	968,185	820	432,821	(953,840)	453,642
Comprehensive income for the year						
Loss for the year	-	-	-	-	(4,446,054)	(4,446,054)
Total comprehensive income for the year	-	-	-	-	(4,446,054)	(4,446,054)
Share based payment capital contribution	-	-	-	172,782	-	172,782
Total transactions with owners	-	-	-	172,782	-	172,782
At 31 March 2019	5,656	968,185	820	605,603	(5,399,894)	(3,819,630)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Share premium account	Capital redemption reserve	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2017	5,656	968,185	820	-	151,381	1,126,042
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,105,221)	(1,105,221)
Total comprehensive income for the year	-	-	-	-	(1,105,221)	(1,105,221)
Share based payment capital contribution	-	-	-	432,821	-	432,821
Total transactions with owners	-	-	-	432,821	-	432,821
At 31 March 2018	5,656	968,185	820	432,821	(953,840)	453,642

The notes on pages 11 to 30 form part of these financial statements.

CONCENTRA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Concentra Consulting Limited is a private company limited by shares and incorporated in England and Wales. The registered head office is located at 100 Cheapside, London, EC2V 6DT.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Concentra Analytics Limited as at 31 March 2019 and these financial statements may be obtained from 100 Cheapside, London, EC2V 6DT.

2.3 Prior period adjustment

The Company has reclassified prior year indirect personnel costs from Cost of sales to Administrative expenses because these do not relate directly to revenue-generating activities. As a result, prior year Administrative expenses increased by £7,597,048 and prior year Cost of sales decreased by the same amount. The Company's gross profit increased by £7,597,048. There is no effect on the Company's Operating loss.

CONCENTRA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Going concern

As at 31 March 2019, the Company had a net liabilities balance of £3.8m (2018: £0.5m net assets), which included intercompany loans receivable of £6.7m (2018: £3.6m). However, the directors have prepared the financial statements on a going concern basis as the parent company of the Group, Concentra Analytics Limited, has pledged its continuing support for a minimum of 12 months from the date of issuing these financial statements. Additionally, sensitised forecasts have been prepared which demonstrate that the Group is expected to have sufficient funds to meet its obligations as they fall due for a period of not less than 12 months from the signing date of these financial statements and the directors have reviewed these forecasts. The directors are satisfied that they have the ability to manage the Company's cash, commitments and working capital to ensure that all liabilities can be settled and obligations met and, on this basis, consider it appropriate that the financial statements have been prepared on a going concern basis.

2.5 Revenue

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

Sale of software licences

Revenue from sales of the Group's software licences is recognised on a straight line basis over the licence term. The Group generally invoices clients annually in advance. At the end of a financial period, revenue attributable to any unexpired licence period represents deferred income.

Revenue from sales of third party software licences is recognised in full at the start of the licence period as the Company has no significant post-sales service obligations.

Rendering of services:

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

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

Management recharges

Revenue represents the fair value of amounts receivable for royalties and management services provided across the group and is stated net of value added tax.

Revenue is recognised in the period in which services have been rendered by the Company and the amount of revenue can be measured reliably.

CONCENTRA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.6 Intangible assets

Other 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.

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.

2.7 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures & fittings	- 10% - 50% straight line
Computer equipment	- 33% - 50% straight line

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 the Statement of Comprehensive Income.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 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.

CONCENTRA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.11 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.

2.12 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 non-puttable ordinary shares.

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

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

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

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

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

2.13 Creditors

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

CONCENTRA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.15 Finance costs

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

2.16 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 the Statement of Comprehensive Income 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.

2.17 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

CONCENTRA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.18 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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 Statement of Financial Position 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.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.20 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 range from 3 to 6 years.

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

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

Preparation of financial statements requires management to make significant judgements and estimates. The areas where these judgements and estimates have been made include;

Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debt is maintained for estimated losses resulting from the viability of the Company's customers to make required payment. The allowance is based on the Company's regular assessment of the credit worthiness and financial conditions of customers.

Revenue recognition on contracts

Revenue is recognised on contracts based on the work performed and for fixed price contracts, the stage of completion of the contract. Management assess how much work has been performed at the balance sheet date, against the terms and conditions of the contract. For fixed price contracts, there is judgement involved in assessing the work left to complete.

Valuation of investments and intercompany balances

Management review the recoverability of investments in subsidiary companies and the recoverability of intercompany receivables by considering the future profitability of those entities and consider that there is no impairment in any investment values.

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material misstatement to the carrying amounts of assets and liabilities within the financial year.

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. Analysis of turnover

The whole of the turnover is attributable to the Company's principal activity.

An analysis of turnover by type:

	2019 £	2018 £
Software license revenue	8,148,870	6,260,676
Service revenue	7,778,658	7,233,221
Management recharges	2,727,040	4,174,338
	<u>18,654,568</u>	<u>17,668,235</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	13,423,211	6,779,747
Rest of Europe	453,756	1,652,153
Rest of the world	4,777,601	9,236,335
	<u>18,654,568</u>	<u>17,668,235</u>

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Research & development charged as an expense	5,040,809	3,702,309
Depreciation of tangible fixed assets	286,729	172,364
Exchange differences	828	208,272
Operating lease rentals - land, buildings and other assets	623,120	620,947
	<u></u>	<u></u>

6. Exceptional items

	2019 £	2018 £
Cost of fundraising	55,735	1,533,837
	<u></u>	<u></u>

Exceptional items are in relation to the cost of fundraising for the growth equity investment led by a number of new stakeholders. These items include legal, accounting and due diligence fees.

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	17,500	20,000

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services. Fees payable to the Company's auditor, Grant Thornton UK LLP, and its associates for non-audit services are disclosed in the consolidated accounts of the Company's parent, Concentra Analytics Limited, on a consolidated basis.

8. Employees

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

	2019	2018
	£	£
Wages and salaries	13,987,508	8,800,073
Social security costs	1,546,699	1,026,644
Cost of defined contribution scheme	449,733	243,388
	15,983,940	10,070,105

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

	2019	2018
	No.	No.
Research and development	55	38
Sales and marketing	21	15
Other	98	67
	174	120

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	672,643	433,882
Company contributions to defined contribution pension schemes	17,417	15,625
	<u>690,060</u>	<u>449,507</u>

During the year, retirement benefits were accruing to 2 directors (2018: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £360,176 (2018: £260,590).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2018: £8,875).

Key management for Concentra Consulting Limited includes all members of the Group's Executive Committee. Total key management remuneration for the year ended 31 March 2019 was £2,243,880 (2018: £803,939).

10. Interest receivable and similar income

	2019 £	2018 £
Other interest receivable	<u>3,605</u>	<u>1,768</u>

11. Interest payable and similar charges

	2019 £	2018 £
Other interest payable and similar charges	<u>-</u>	<u>4,063</u>

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on loss for the year	(1,607,699)	(680,722)
Adjustments in respect of previous periods	(590,834)	-
Total current tax	(2,198,533)	(680,722)
Deferred tax		
Total deferred tax	-	-
Taxation on loss on ordinary activities	(2,198,533)	(680,722)

CONCENTRA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. Taxation (continued)

Factors affecting tax charge for the year

The tax credit assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(6,644,587)	(1,785,943)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(1,262,472)	(339,329)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,468	396,527
Capital allowances for year in excess of depreciation	4,432	(25,194)
Adjustments to tax charge in respect of prior periods	(590,834)	(680,722)
Adjustments to brought forward values	(63,104)	-
Other permanent differences	(562,377)	-
Additional deduction for R&D expenditure	(1,190,709)	-
Deferred tax not recognised	850,109	(32,004)
Surrender of tax losses for R&D tax credit refund	498,941	-
Adjust closing deferred tax to average rate of 19%	101,116	-
Adjust opening deferred tax to average rate of 19%	(1,103)	-
Total tax credit for the year	(2,198,533)	(680,722)

At the statement of financial position date, the Company had not recognised deferred tax assets of £840,768 (2018: £54,328).

Factors that may affect future tax charges

The main rate of corporation is expected to reduce to 17% in 2020. This new proposed rate was substantively enacted on 8 March 2017.

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Intangible assets

	Trademarks £	Website development £	Total £
Cost			
At 1 April 2018	-	-	-
Additions	56,831	141,400	198,231
At 31 March 2019	56,831	141,400	198,231
Net book value			
At 31 March 2019	56,831	141,400	198,231
At 31 March 2018	-	-	-

As assets were still in development as at the statement of financial position date, no amortisation was charged for the year.

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 April 2018	963,760	817,229	1,780,989
Additions	172,712	322,160	494,872
Disposals	(6,260)	(1,000)	(7,260)
At 31 March 2019	<u>1,130,212</u>	<u>1,138,389</u>	<u>2,268,601</u>
Depreciation			
At 1 April 2018	328,596	623,648	952,244
Charge for the year	101,482	183,790	285,272
At 31 March 2019	<u>430,078</u>	<u>807,438</u>	<u>1,237,516</u>
Net book value			
At 31 March 2019	<u>700,134</u>	<u>330,951</u>	<u>1,031,085</u>
At 31 March 2018	<u>635,164</u>	<u>193,581</u>	<u>828,745</u>

CONCENTRA CONSULTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. Investments

	Investments in subsidiaries £
Cost or valuation	
At 1 April 2018	10
Transfer	1,109
At 31 March 2019	<u>1,119</u>
Net book value	
At 31 March 2019	<u>1,119</u>
At 31 March 2018	<u>10</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Clarisant Inc.	USA	IT Consulting	Ordinary	100%
Concentra Consulting (Canada) Inc.	Canada	IT Consulting	Ordinary	100%
Concentra Analytics Europe B.V.	Netherlands	IT Consulting	Ordinary	100%
Clarisant (HK) Limited	Hong Kong	IT Consulting	Ordinary	100%
Concentra Pty Limited	Australia	IT Consulting	Ordinary	100%

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Clarisant Inc.	(1,099,376)	(1,122,030)
Concentra Consulting (Canada) Inc.	(138,626)	48,785
Concentra Analytics Europe B.V.	(1,022,689)	(807,661)
Clarisant (HK) Limited	(698,466)	(696,313)
Concentra Pty Limited	56	-

16. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	662,670	662,670
	<u>662,670</u>	<u>662,670</u>
Due within one year		
Trade debtors	3,422,215	2,916,685
Amounts owed by group undertakings	6,668,657	3,609,327
Other debtors	76,561	15,785
Prepayments and accrued income	1,687,355	1,422,171
Tax recoverable	2,211,236	-
	<u>14,066,024</u>	<u>7,963,968</u>

Amounts owed by group undertakings are unsecured, repayable on demand and non-interest bearing.

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

17. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	<u>6,387,447</u>	<u>1,851,171</u>

18. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	556,961	1,154,107
Amounts owed to group undertakings	18,703,675	2,847,244
Other taxation and social security	673,159	831,270
Other creditors	113,358	1,288,121
Accruals and deferred income	6,119,053	4,732,180
	<u>26,166,206</u>	<u>10,852,922</u>

Amounts owed to group undertakings are unsecured, repayable on demand and non-interest bearing.

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

19. Financial Instruments

	2019 £	2018 £
Financial assets		
Cash and cash equivalents	6,387,447	1,851,171
Financial assets that are debt instruments measured at amortised cost	11,898,868	7,772,432
	<u>18,286,315</u>	<u>9,623,603</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(21,809,894)</u>	<u>(8,030,309)</u>

Cash and cash equivalents comprise 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.

Financial assets measured at amortised cost comprise accrued income, amounts owed by group undertakings, other debtors and trade debtors.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, trade creditors, accruals and other creditors.

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
469,000 Ordinary shares of £0.01 each	4,690	4,690
32,200 "A" Ordinary shares of £0.01 each	322	322
64,400 "B" Ordinary shares of £0.01 each	644	644
	<u>5,656</u>	<u>5,656</u>

Each share is entitled to one vote in any circumstance, ranks *pari passu* with regards to dividends and is not redeemable.

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

21. Reserves

Share premium account

Share premium represents the amount paid in excess over the nominal value of shares purchased.

Capital redemption reserve

The capital redemption reserve represents the Company's own shares that have been repurchased using profit and loss reserves.

Profit & loss account

The profit and loss account represents all current and prior period retained earnings.

Capital contribution reserve

The capital contribution reserve represents any contributions received from the parent company. The movement relates to a share based payment charge for the employees of the Company having share options in Concentra Analytics Limited.

22. Contingent liabilities

As at 31 March 2019, the Company did not have any contingent liabilities (2018: £Nil).

23. Capital commitments

At 31 March 2019, the Company did not have any capital commitments or guarantees (2018: £Nil).

24. Pension commitments

The Company operates a defined contributions pension scheme for certain employees. 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 £449,733 (2018: £243,388).

Contributions totalling £79,822 (2018: £21,416) were payable to the fund at the statement of financial position date and are included in creditors.

CONCENTRA CONSULTING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

25. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Land and buildings		
Not later than 1 year	620,482	618,787
Later than 1 year and not later than 5 years	2,476,844	2,476,844
Later than 5 years	1,166,371	1,786,854
	<u>4,263,697</u>	<u>4,882,485</u>
	2019 £	2018 £
Other assets		
Not later than 1 year	9,376	9,376
Later than 1 year and not later than 5 years	24,221	33,597
	<u>33,597</u>	<u>42,973</u>

26. Related party transactions

As a wholly owned subsidiary of Concentra Analytics Limited, the Company has taken advantage of the exemptions available in FRS 102. Transactions with other group entities are not disclosed.

27. Post balance sheet events

SupplyVue Limited, a new wholly-owned subsidiary of the Company, was incorporated in the UK on 13 August 2019. On 17 October 2019, the Company entered into an Asset Purchase Agreement to transfer as a going concern its supply chain software, analytics and services business to SupplyVue Limited. On the same date, following receipt of additional external capital, control of SupplyVue Limited passed to SupplyVue Analytics Limited, an unrelated third party. From 17 October 2019, the Company retains a non-controlling minority shareholding in SupplyVue Limited.

28. Immediate and ultimate controlling party

Concentra Analytics Limited, incorporated in England and Wales, is regarded by the directors as being the Company's ultimate parent company. This is the largest and smallest group of undertakings for which group accounts are drawn up. The Company has no single ultimate controlling party.