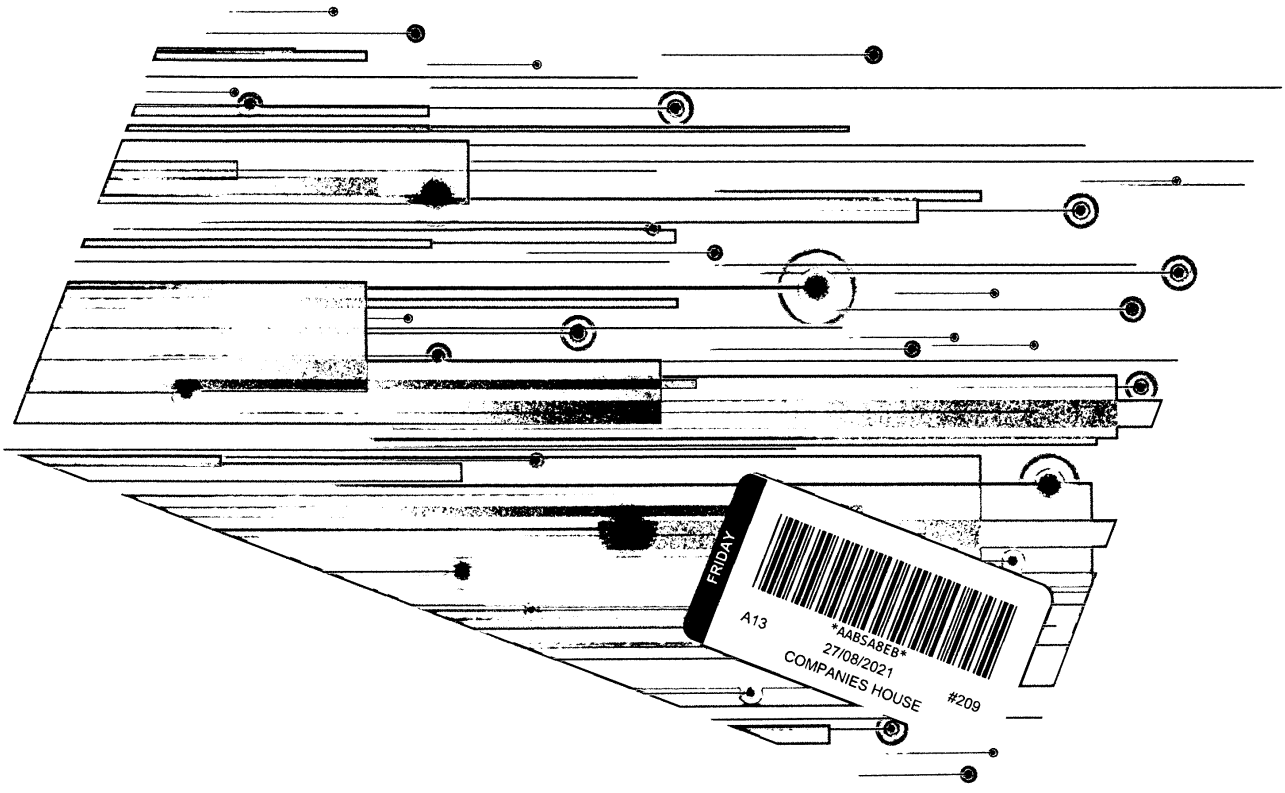
bjss

ANNUAL REPORT 2021



BJSS Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

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BJSS Limited

KEY FINANCIAL INDICATORS

£187.1 MILLION

Total revenue for 2021

13.5%

Increase

£45.6 MILLION

Adjusted operating profit

37.8%

Increase

1366

Average employee count

22.4%

Increase

BJSS Limited

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

A leading technology and engineering consultancy for business

BJSS is a full-service technology and engineering company. We build and provide enterprise-class digital solutions to clients in the Financial Services, Retail, Commodities, Healthcare and Public Sector industries.

We work with some of the world's leading organisations to provide business consultancy and deliver first-class technology solutions. Collaborating closely with these clients, we are trusted to deliver complex, innovative technology, engineering and industry solutions that millions of people use every day. We make this digital transformation and user engagement a reality through our Enterprise Agile® approach which creates delivery confidence, de-risks, and accelerates time to value.

The breadth of our end-to-end delivery proposition – which provides early strategic advice, to delivery, then to ongoing management of a live service – is largely unmatched by similar organisations of BJSS' size, enabling us to establish deep, meaningful and long-term relationships with our clients. Additionally, our deep industry expertise is drawn from teams with global industry experience and local insight. They partner with our clients and are trusted to resolve their most pressing technical and business challenges.

We focus on and invest in building strong relationships with our stakeholders. People are attracted to BJSS because of the variety of different projects we are engaged in, the meaningful work they will deliver and the quality of teams that they will work in. Our reputation for excellence means that we provide exciting career development opportunities working on rewarding global-scale engagements. New talent and people returning to careers in technology supported by the Company's existing BJSS Academy learning and development infrastructure, and benefit from a programme of internal, external and on the job learning that is carefully designed to nurture their consulting and delivery skills.

Mission

Our Mission is to deliver innovative solutions to transform our clients' businesses.

Supporting our Mission are our Vision and Values. These have been applied consistently throughout our history, even as we have grown and expanded our offering.

Vision

Our Vision is to be the delivery partner of choice for progressive organisations in a range of sectors.

Values

Established when BJSS was founded, our values remain unchanged, they continue to define us.

Professional Excellence:
We always aim to deliver outstanding quality of work, regardless of role.

Innovative Thinking:
We differentiate BJSS by always looking for a 'better way' and taking new approaches to engagements.

Delivering Great Outcomes:
We share a passion to excel and an absolute focus on delivery.

Collaboration:
Our interactions with colleagues and clients are collaborative and respectful.

Long-term Relationships:
We build lasting client relationships by establishing real working partnerships and keeping our promises.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Covid-19

The COVID-19 pandemic continues to create significant global impact, adversely affecting our clients, employees and suppliers. Whilst there have been many victories in combating the disease, the international struggle to contain and overcome the pandemic remains a dominant theme which underscores our operating environment.

The safety and wellbeing of our staff has been our highest priority. Work-from-home, social distancing and hygiene measures were immediately implemented in all our facilities, and we engaged with clients to ensure that similar measures were applied in their facilities too. The remote working environment we implemented, as well as the increased use of digital tools by our people, meant that our productivity, client focus and delivery velocity were almost unaffected. Throughout the crisis, we have supported our employees through improved engagement, wellness engagements, mental health support and financial management workshops.

Many of our people have been at the helm of delivering technology that is being used to sustain client operations, and the national response to controlling Covid-19. The Board wishes to thank our people for their dedication, professionalism and uncompromising delivery focus during this difficult time. The best practises we learnt through this crisis has enabled us to permanently implement new employee-centric initiatives, such as our hybrid working policy which enables our people to dynamically choose remote or on-site working based on their unique and evolving situations.

Like many companies, the pandemic created large initial uncertainty, requiring us to act proactively and decisively to ensure sustained liquidity in a crisis of unknown scope and duration. These actions included a short-term cash preservation policy where we paused salary increases and bonus incentive payments, and where we found it necessary to place a small number of administrative staff on the Coronavirus Job Retention Scheme.

However, as we gained greater clarity of ongoing client needs, and our forecasts of the financial impact to BJSS became more certain, we were comforted by a robust and sustainable outlook. On this basis, we backpaid all increase and incentive payments, recalled furloughed staff to duty, and fully repaid all Coronavirus Job Retention claims we made to the Exchequer.

Further detail of our response to Covid-19 is detailed throughout this document.

BJSS Limited

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Overview

This document presents BJSS' financial results for FY2021 and provides a full year representation of the impact to BJSS of the Covid-19 pandemic.

The Board are very pleased to announce continued improvement across all operational performance measures, including increases in both revenue and adjusted profit. Of particular note was the increased rate of growth in the second half of the year which we will look to build on into the next financial year.

Key Performance Indicators

- Revenue was up at £187.1m (13.5% from 2020: £164.8m)
- Gross Profit was up at £78.1m (28.5% from 2020: £60.8m)
- Adjusted Operational Profit was up at £45.6m (37.8% from 2020: £33.1m)
- Adjusted Operational Profit Margin was 24.4% (2020: 20.1%)
- Adjusted Net Profit after tax was up at £35.9m (34.0% from 2020: £26.8m)
- Adjusted Net Profit Margin after tax was 19.2% (2020: 16.3%)
- The average number of staff through the year was up at 1,366 (Up 22.4% from 2020: 1,116)
- Net assets decreased by 22.9% from £61.6m in 2020 to £47.5m in 2021

The adjusted profit figures shown above are adjusted to exclude share based payments and abnormal costs. A share based credit of £4.1m has been recognised this year, from a charge of £2.2m in 2020. This movement is primarily due to a change in the estimate of the period over which the share based payments are expected to vest.

In an extraordinarily turbulent year, where Covid-19 created large scale global societal and organisational damage, BJSS demonstrated resilience and agility by protecting employees and stakeholders, sustaining operations, and maintaining its focus on quality and client delivery. While uncertainty remains, these results demonstrate that BJSS has successfully navigated the fallout thus far.

The BJSS Board and colleagues are immensely proud of the financial results achieved in a trading period characterised by such turmoil, but also recognise that they are bolstered by savings that are considered a one-off result of the global pandemic and non-recurring in nature. These primarily include the increased utilisation of our consultants as a result of the flexibility afforded by remote working together with cost savings in the form of reduced travel and marketing spend. We expect these costs to return to near pre-pandemic levels over the coming financial periods.

Our strong performance during this period is representative of continued demand from new and established clients. Customers will always remain at the centre of our efforts. Not only did Covid-19 become the biggest public health crisis in living memory, but it also highlighted the challenges that many of our clients faced in servicing their consumers during lock downs and attempting to improve organisational efficiency. This prompted them to engage BJSS in several tactical and strategic programmes of work that would enable them to sustain operations during the pandemic, reduce cost bases and help define and execute process and digital innovation roadmaps.

The Company's performance continues to be linked to our focus on doing the right thing for the people within and around our business. It is further underpinned by our commitment to delivering sustainable growth, our values, and delivering exceptional quality and service to our clients. The BJSS Board and colleagues have been guided by these objectives for many years, and they remain relevant in driving our resilience and growth in the future.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Appointments to the Board

During the financial year, the BJSS Board was strengthened with the appointment of three new Directors:

- Andrew Campbell, who joined as Director responsible for Delivery;
- Michael Buck, who joined as Director responsible for Client Services;
- Christina Geary, who joined as Finance Director.

One Director resigned from the Board:

- James Whitehouse, whose responsibilities have been distributed amongst other members of the Board.

A leading technology and engineering consultancy for business

We deliver complex solutions by aligning our world-class engineering and business advisory services, with our Queen's Award-winning Enterprise Agile® delivery approach. The breadth of our end-to-end delivery proposition – which provides early strategic advice, to delivery, then to ongoing management of a live service – is largely unmatched by similar organisations of BJSS' size, enabling us to establish deep, meaningful and long-term relationships with our clients.

Additionally, to enhance our client experience, and as a way of providing rapid access to proven products and services, BJSS supports a powerful ecosystem of commercial partners such as Microsoft, AWS, commercetools and others.

The BJSS Culture

Our culture is deeply rooted in our identity and has been fundamental to guiding our interactions, both internally and externally. It has driven a strong client-centric focus, combining exceptional delivery quality with strong collaboration between the people in and around our business.

It is this focus on delivery across our organisation that makes us attractive to clients and our people.

The BJSS Strategy

Our strategy is to achieve long-term, sustainable growth in our active markets. We achieve this through a proposition that is based on a strong portfolio of client-focused Digital Transformation services which we deliver to clients in key industry verticals.

We envisage future growth to be achieved by developing our existing business, and by augmenting new offerings and markets.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Our Services

We regularly use client feedback and market research to understand evolving needs and challenges. We use this insight to help shape and refine our offerings and to match our services to client objectives and key technology trends.

This consultative approach has enabled us to develop a core service portfolio which blends strategy, design, engineering, and ongoing managed service. Our services are tightly integrated and support every stage of a digital and transformation journey.

A Strong Digital Transformation Foundation

BJSS works with clients to assist in their Digital Transformation, and this is underpinned through our comprehensive service portfolio. Successful digital transformations enable organisations to continuously evolve and meet the demands of constant change, so we also use this foundation to incubate new solutions such as Intelligent Automation, Low Code and other key trends emerging from the drive toward Citizen IT.

Technology & Engineering

Our heritage, and our future, is centred on delivering high-quality, scaled technology and engineering services.

Cloud & Platform

Clients benefit from our strong and accredited relationships with the three major cloud vendors, AWS, Azure and Google Cloud Platform. We deliver cloud readiness, migration and modernisation services to most of our client base and offer innovative Cloud & DevOps transformation expertise.

Managed Services

BJSS manages IT systems on behalf of heavily regulated organisations and government departments. Our unique offering blends ITIL and DevOps to cater for enterprise service needs whilst automating for the digital world.

Data & AI

Our clients are increasingly relying on advanced analytics to reach critical business and strategic decisions. We develop and operate data platforms which support Machine Learning and advanced analytics objectives.

Design

SPARCK, our dedicated design brand, works with clients to design their digital strategies, user behaviours, needs and motivations.

Strategy

Digital transformation often requires operational change or process improvement. We use a variety of tools and techniques to deliver results to our clients through a team of specialist subject matter experts.

Visit **bjss.com/services** to read more about the BJSS service portfolio.

Enterprise Agile®

Our Enterprise Agile delivery approach encapsulates almost three decades of Agile delivery experience, focusing on the talent of teams and technical excellence. It enables predictable, low-risk delivery with accelerated time to value.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Industry Focus

We apply deep industry knowledge based on a strong understanding of each industry's operating environment, opportunities, and challenges.

- Financial Services
- Retail and Consumer Goods
- Commodities and Utilities
- Healthcare
- Public Sector

Each industry is led by a dedicated and experienced professional who has previously worked in, or has engaged closely with, leading organisations in those sectors. By combining this substantial experience, and direct working knowledge of industry pain points, with a deep strategic and technology understanding, BJSS offers a leading 'trusted advisor' proposition.

Industry Performance

Our dedicated and diverse industry focus is reflected in our balanced portfolio revenue performance.

We saw an upturn in healthcare revenues that reflects the significant work undertaken to support the NHS across multiple departments in response to the global pandemic. We also saw growth in the broader Public Sector, Retail & Consumer Goods and Commodities & Utilities and the second half of the year also saw growth in the Financial Services sector.

BJSS Expansion

A key focus of the Board is to invest in the long-term growth and development of our business.

Covid-19 has created a heightened sense amongst many organisations to stay digitally "current". This awareness is broadly accelerating digital transformation plans and will continue to underpin the growing demand across all our market segments.

We enjoy a strong position in our existing markets, and we believe that our ambitions and goals can be further accelerated through a sustainable international expansion strategy. This will see BJSS evolve into a truly global, world-class technology solutions Company.

In August 2020, in addition to our existing international operations in New York and Houston, we announced a greenfield investment in Lisbon. This new operation became the Company's first location in Europe. Later, in November 2020, we announced a greenfield investment in Australia, the Company's first location in the Asia-Pacific region. Both facilities serve as key strategic hubs to support BJSS' existing international clients while welcoming new regional clients in the Iberian and APAC regions.

In our domestic market, we announced our expansion into Newcastle. As our 11th UK location, Newcastle joins our existing locations in Leeds, London, Manchester, Bristol, Nottingham, Glasgow, Sheffield, Cardiff, Birmingham, and Edinburgh.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Our People Proposition

Critical to our continued success and future growth is our ability to attract, retain and develop the highest quality talent. In this reporting period, BJSS employed 1,366 people (2020: 1,116).

Our people ambition is to create a thriving, future-fit organisation that encourages a high-performing and diverse workforce. To help realise this goal, we continue to invest in a differentiated employee experience. Our 'Great Place to Work' ("GPTW") people proposition aims to make BJSS a rewarding and positive place to work through policies and initiatives that develop, engage, and nurture our talent.

Learning and Development as a key contributor to the People Strategy

We have carefully designed an infrastructure that caters to varying lifestyle requirements, allowing for learning wherever it is most convenient. In addition to traditional learning and certification, we provide our people with access to a technology and professional skills platform which contains over 50,000 books, videos, eLearning courses, interactive programming exercises, sandpit environments and webinars. We also continued to invest in our learning management system, LearnHub, with high quality training and lifestyle content.

Improvements to rewards and ways of working

On the back of recent feedback from our people, we have made several improvements to our benefit rewards, including new flexibility that enables people to individually tailor their packages based on their evolving personal and lifestyle needs. We also implemented an online tool to allow our people to self-manage and adjust their rewards as they see fit.

This flexibility has extended to ways of working too. Our experience from the Covid-19 lockdown has shown that home working is positive from a work-life perspective and does not harm productivity, while office working is still, at times, necessary and required. In recognition of this, we are now implementing a hybrid working model. This new policy accommodates remote working as well as close in-person collaboration at a BJSS or client location, allowing our people the flexibility to reflect on their individual and team circumstances, and use this to inform where it is best suited for them to do their work.

Our People Proposition - continued

The wellbeing of BJSS colleagues during Covid-19

Throughout the Covid-19 crisis, our priority has been on safeguarding peoples' health, safety, and wellbeing. We took immediate steps to transition our entire workforce to remote distributed teams without impacting productivity. We also rapidly implemented measures to keep colleagues and clients supported and engaged throughout.

In addition to work from home advice, and providing the appropriate health, hygiene and distancing measures to keep our people safe if they found it necessary to visit a BJSS facility, we also added greater flexibility to our flexible working, parental and sickness policies. To ensure that our people benefited from maximum transparency during this time, we also implemented company-wide monthly update calls hosted by members of the Board, and our senior leadership.

Of greater concern has been Covid-19's significant and detrimental impact to mental health. To ensure that we properly supported our people, we implemented regular and anonymous company-wide surveys and improved feedback loops, enhanced our Squad Lead and mental health champion structure, provided wider access to our LifeWorks employee assistance service, and made improvements to our internal communications structures.

Diversity

A diverse workforce brings many benefits. It helps broaden our perspectives and enhances our focus on innovation. We consider diversity to encompass gender, race, age, disability, experience, religion, values, beliefs, and sexual orientation. As an inclusive organisation, we ensure that everybody at BJSS - irrespective of their identity or background - is viewed solely by their potential, skills and ability.

The Company operates a well-established Diversity and Inclusion (D&I) programme with representation from local "D&I Champions" in all locations. We also encourage our people to provide feedback about their experience at BJSS and have introduced several channels through which they can easily do so, including access to a new anonymous issue and whistleblowing tool.

As a way of creating opportunity for all, we are increasing the appeal of BJSS to the broadest possible audience of candidates through our recruitment programme. We have aligned with external initiatives such as Disability Confident, the Microsoft Partner Pledge, the Scottish Business Pledge and the Armed Forces Covenant in support of maintaining a balanced view and to benefit from initiatives in the wider market.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Our External Stakeholders

Covid-19 has exacerbated existing economic and social challenges and created many new ones.

BJSS and many of our partners, clients and suppliers are working in partnership with the UK Government towards a social value agenda based on the United Nations Sustainable Development Goals.

We have doubled down on efforts to work with a wider range of stakeholders locally and internationally to help achieve sustainable improvements to social, economic, and environmental wellbeing. We aim to aid the recovery of local communities and economies, especially through employment, re-training and return to work opportunities, community support, developing new ways of working and supporting the health of those affected.

BJSS and the environment

As a leading partner of world-class technology solutions, we have a responsibility and an opportunity to protect the environment for the benefit of all. This starts with our own impact as a successful, growing company.

We take this leadership position seriously and are ambitious about the role of technology in supporting a Zero Carbon future.

BJSS is now present in 15 locations across the UK and internationally, with 1,630 staff (as at July 2021) and a growing footprint. As we grow, we will select offices close to public transport hubs and refurbish existing offices to take advantage of the latest environmental innovations. These include thermally efficient construction techniques, movement-sensitive lighting and water-saving appliances.

We will continue to positively influence communities in each region, playing an active role in using technology to build on our existing Carbon Neutral position and support a Zero Carbon future by 2025. Our focus will be on driving carbon literacy in our business and our supply chain and increasing skills through initiatives such as our Zero Carbon Hackathons.

More information is available on pages 19-20 of this document.

We take our leadership position seriously and are ambitious about the role of technology in supporting a Zero Carbon future.

We have been Carbon Neutral since 2019 and are working hard to become Net Positive in the near future.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Our External Stakeholders - continued

BJSS and its local communities

With the digital landscape becoming increasingly integral to daily life, we are ensuring that the skills of the next generation of IT talent are properly developed and that we have a diverse, thriving sector.

Alongside community partners, we deliver sustainable programmes that support our community development themes for Youth and Technology. By combining financial support with pro-bono commercial and technology expertise, our partners can deliver improved community project outcomes.

Through the past year, and despite the challenges created by Covid-19, we increased our focus on delivering sustainable programmes. In addition to several tactical initiatives to support local needs, we also committed to headline sponsorship of Manchester Digital's 'Digital Her' programme. This initiative provides funded coding scholarships, summer camps and mentoring programmes for young women across the region, aiming to educate school pupils on the opportunities available to them in our industry and meet industry role models. Retired BJSS laptops were also donated to Positive Action in Housing and Tech Angels during the year to help them achieve their outreach ambitions.

In the current financial year, and with greater relaxations to Covid-19 restrictions, many of our partners are now able to continue their work. In addition to Digital Her, BJSS is now supporting Tech Up, and the Ahead Partnership on initiatives that aim to combat inequality, promote opportunity and deliver positive change within society.

We have also risen to the skills challenge through an ambitious UK-wide programme to accelerate the recruitment of school leavers, apprentices, university graduates, and people retraining or returning to work. The initial 80 new full time roles which were ringfenced for this initiative were fully hired by February 2021. As part of our broader supporting people and community recovery, we will welcome over 200 new team members in the current financial year, with a focus on groups who are under-represented in the workforce geographic/local community and those who face skills and broader employment challenges.

Our External Stakeholders - continued

BJSS and its suppliers and partners

We understand the importance of relationships with our suppliers and we engage constructively with them to set fair and clear expectations. We also continue to implement and enforce effective systems and controls to ensure that our supply chain is consistent in its approach to transparency.

Like BJSS, our suppliers have an impact on society and the environment, so we expect them to act responsibly and to align to our ethical and social values.

Risks and Mitigation

The uncertainty and volatility that Covid-19 created is unprecedented, but it has demonstrated BJSS' organisational resilience and management of abnormal risks.

The Company strives for an agile, but responsible, way of managing its risks. To maintain a focus on preparedness, accountability and effectiveness, we operate a Group-wide risk register which is reviewed and updated regularly.

Current significant risks that we are monitoring very closely include:

Access to Skilled Staff

The demand for scarce and critical skills will continue as more and more organisations embark on digital transformation initiatives. Brexit and Covid-19 also continue to present a risk of us of potentially being unable to attract the right number of skilled staff we need to undertake our obligations and execute our strategies. EU, EEA or Swiss nationals must now apply for work visas to work in the UK, for example. This is an issue seen by all suppliers throughout the industry and it is important we do all we can to position ourselves correctly in the market.

We have mitigated this risk by building a strong local presence in all our offices to ensure we are well known and have a strong reputation. Our continued and planned expansion into overseas locations will further help mitigate this risk by providing increasing pools of skilled resource as well as the ability to work across multiple time zones.

Additionally, we have forged strong links to local universities providing access to the strongest graduate candidates. This is supported by our BJSS Academy infrastructure which provides foundational training for talented people who are starting their careers, retraining from another career, or are returning to technology after an extended absence.

We are working hard to achieve higher retention rates, and this is encapsulated in our Great Place to Work initiative that recognises the importance of our people to our business and focuses on their development.

Customer Retention

Our market has a low cost of entry and as such is becoming increasingly competitive which increases risk around customer retention.

Whilst we have strong, long term relationships with our clients we are far from complacent about our position and work to ensure we are viewed as a key, trusted supplier.

Primarily, our delivery focus and determination to do the right thing helps us to maintain and build our status with our clients. We constantly look to add value to our clients beyond our contracted obligations. We share our experiences and help by bringing in learning from our Delivery Propositions and our Innovation Propositions.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Risks and Mitigation - continued

Covid-19

The serious economic impact of the Covid-19 pandemic has resulted in uncertainty around global business prospects. The damage to the world's economy is likely to be significant. While our business model has proven to be resilient, many of our clients are significantly affected.

Covid-19 is likely to accelerate the continued adoption of digital services. Consequently, BJSS may see some benefit as our clients implement technology solutions to support their new ways of doing business. We will continue to closely monitor the situation, engage constructively with clients and maintain strong financial controls to ensure financial resilience during this time.

Brexit

The Brexit transition period ended on 31 December 2020, resulting in the end of free movement of people, goods and services between the UK and the EU. Trade is now governed by the EU/UK Trade and Cooperation Agreement (TCA).

The political relationship between the UK and the EU remains delicate. Whilst we do not have a significant direct exposure to the eurozone, should a trade dispute which impacts the broader economies of the UK and the EU emerge, and it creates significant disruption, then we may be impacted.

We believe that we are well placed to overcome any challenges through our combination of a broad sector base, strong client relationships, flexible working models and strong delivery focus, as well as our expansion into overseas regions outside the EU.

Financial Risk

The business continuously reviews and assesses its exposure in relation to price, credit and liquidity risks. These are explained in more detail in note 25.

Foreign Currency Risk

This risk is reviewed via the Group's budgeting and cashflow forecasting processes which identify net exposures. The net exposure in this regard is not deemed to be material to the Group's financial performance or position.

Interest Rate Risk

The Group's exposure to interest rate risk is immaterial to its financial performance and position given that no external borrowings are held, and bank deposit interest income amounted to £10,393 during the year ended 30 April 2021 (2020: £14,744).

Credit Risk Management

The Group's mitigates the risk of a counterparty defaulting on its contractual obligations by adopting a policy of only dealing with creditworthy counterparties, many of whom are UK government public sector bodies.

Excessive Risk Concentration

The Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio to avoid excessive concentrations of risk.

The Board believes that the inherent risk to the Group in this regard is low and, coupled with the controls in place to manage the exposure, is confident that the risks are managed effectively.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

Risks and Mitigation - continued

Cyber Security

Cybercriminals have adopted better strategies for targeting companies and using advanced techniques to launch attacks. BJSS could face financial loss, disruption or reputational damage arising from an attack on our systems, or the client systems we manage, by criminals, foreign governments or hacktivists.

The Company is subject to the requirements of privacy legislation such as GDPR and maintains the ISO27001 international standard for information security. In addition to ongoing investments in our technology defences and infrastructure, we have also strengthened our internal cybersecurity capability and increased the breadth and depth of our team. We also actively increase internal awareness of cyber security through training, regular Disaster Recovery simulations and periodic Business Continuity exercises at all levels of the organisation.

General Economic Outlook

BJSS's exposure to the macroeconomic climate and events occurring beyond our control includes factors such as financial instability impacting our customer base, economic recessions on a national and international scale and instability across financial markets. The occurrence of any of these factors in isolation or combined could potentially impact our future ability to generate revenue and cash, increase our cost base and impact our reputation.

Whilst these factors remain out of our direct control, we aim to mitigate the potential of a serious impact through both our diversified service offering and client base. Through constant monitoring of potential threats and regular interaction with our customers, the Board continue to be alert to such risks and plan mitigation efforts where appropriate.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

S172(1) Statement

Section 172 of the Companies Act 2006 requires every director to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

In governing the company and discharging their duties under section 172 during this reporting period, our directors continued to exercise all their duties, while having regard for these and other factors as they reviewed and considered proposals from senior management and the wider BJSS leadership community and stakeholders.

The stakeholders we consider in this regard are our employees, our customers, our partners, suppliers and the communities in which we work. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Stakeholder engagement

At every Board meeting the directors review the progress against strategic priorities such as international growth and the changing shape of the business. Ultimately Board decisions are taken against the backdrop of what it considers to be in the best interest of the long-term financial success of the company and BJSS' stakeholders, including employees, the community, partners, suppliers and customers.

The Board is committed to effective engagement with all of its stakeholders. Depending on the nature of the issue in question, the relevance of each stakeholder group may differ and, as such, as part of its engagement with stakeholders, the Board seeks to understand the relative interests and priorities of each group and to have regard to these, as appropriate, in its decision making.

The Board regularly receives reports from management on issues concerning customers, our employees, partners and suppliers and the wider community which it takes into account in its discussions and in its decision-making process under section 172.

In addition to this, the Board seeks to understand the interests and views of the organisations stakeholders by engaging with them directly as appropriate. Some of the ways in which the Board has engaged directly with stakeholders over the year are set out below.

Customers

BJSS clients span a number industries, businesses and end consumers of our services. We work closely with our customers to understand their evolving needs so we can improve and adapt to meet them. Throughout the year the Board received updates on key customer issues through our client service performance updates and regular net promoter business reviews. During the year, the Board have taken decisions to actively support clients to help them reduce the impact of Covid on their business.

Members of the Board also meet with customers directly through their account director roles.

Environment

The BJSS board of directors endorse the BJSS environment policy and have overall ownership and accountability for ensuring it is upheld. Regional BJSS Heads of Delivery (HoDs) are responsible for the execution of their plan, with a focus to reduce environmental impact for their staff, clients, suppliers and local communities.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

S172(1) Statement - continued

Our Commitments:

- Operations: Building on our existing Carbon Neutral status since 2019, we aim to become a net-zero carbon (CO_2) business by 2025 by reducing our environmental impact, minimising waste, conserving water and by offsetting our emissions in the short-term. We will use our position as a technology business to positively promote digital communication and flexible working.
- Post-Covid recovery: COVID has created a seismic shift in how society lives, shops, works and transacts. We will play a key role in the UK's 'Green Recovery' through digital transformation, supporting society to adapt to new, lower carbon ways of living
- 'Tech for Green' Services: Our services to our clients embed approaches to reduce energy through system design - including the use of Cloud and serverless computing. We work collaboratively to establish and achieve environmental goals through the delivery of the contract.
- Great Place to Work: We will build a culture of sustainability in which paperless working and public transport use is 'the norm'. Through environmental training and volunteering, we will create a shared agenda between staff, customers and suppliers based on a greater connection to the world around us. We will conserve finite and scarce resources (such as energy, water, raw materials) through the design of our offices and awareness campaigns.
- Partnerships: We will work with and influence partners and suppliers to drive sustainable practices throughout the supply chain. By purchasing responsibly through local suppliers, we will limit our transportation footprint. We will endevour to only work with suppliers who share our values and are committed to promoting long-term environmental and economic sustainability.
- International: We are now present in 15 locations in the UK and internationally, with approximately 1800 staff and have a growing footprint. As we grow, we will select offices close to public transport hubs and refurbish existing offices to take advantage of the latest environmental innovations. These include thermally efficient construction techniques, movement-sensitive lighting and water-saving appliances.
- Community - we will continue to positively influence communities in each region, playing an active role in using technology to support a Zero Carbon future. Our focus will be on driving carbon literacy in households, schools and businesses, and increasing skills through initiatives such as our Zero Carbon Hackathons.

At the centre of our approach is a commitment to enhancing the way we track, measure and report against our environmental aims to be Carbon Net Zero by 2025 and create a culture of continuous improvement.

We will measure:

- Volunteering hours spent protecting and improving the environment
- Green spaces created
- Reduction in energy consumption, water usage and carbon emissions
- Financial contributions to conservation and wildlife projects
- Training and mentoring hours spent influencing others
- Car miles saved through Cycle2Work
- Waste diverted from landfill as a result of our 'REUSE' programme
- Recycling, including food waste
- Changes in attitude and behaviour as a result of our campaigns
- Environmental benefits delivered through the lifecycle of our contracts

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

S172(1) Statement - continued

Commitments to the policy are owned and monitored by the Operations Director and reviewed at monthly board meetings.

Employees

BJSS' workforce is key to its success. Our people help us maintain our strong reputation for excellent delivery and are fundamental in delivering BJSS services. Attracting and retaining good people has been one of the most significant challenges faced by the Board during the financial year. Our 'Great Place to work' programme helps us attract, develop and retain the best talent, equipped with the right skills for the future.

The BJSS Board have emphasised employee engagement in the year ahead. We will continue to drive equality and accessibility across all areas of our business to grow and develop as a collaborative, open, and respectful environment in which everyone can fulfil their potential, be themselves, and enjoy their working life at BJSS.

The Board receive updates from senior management on various aspects of our great place to work programme and feedback through tools such as the group annual survey which help provide the Board within insight into key aspects of our employee programmes.

Moreover, throughout the year the members of the Board engage with the Group's employees in a variety of ways. Despite the challenges of the last year, this was achieved by regular virtual townhall sessions as well as informal interactions through an increase in virtual social events.

As we emerge from Covid-19 lockdown, BJSS will embark on a journey to a 'new normal' regarding our ways of working, specifically, a hybrid working model. Hybrid working will allow us more opportunity to make decisions about where is best suited to do our work, based on the requirements of our employees and our clients. By doing this, we'll reduce the challenges that come with working exclusively from one place or the other, aim to get the best out of ourselves, and each other.

BJSS' focus on doing the right thing by both our people and wider stakeholders was exemplified in our approach to the business support mechanisms introduced by the Government in response to Covid-19. Like many businesses, BJSS faced a period of material uncertainty in the early period of the pandemic and at that point utilised the support measures available. And whilst these schemes have been instrumental in sustaining businesses throughout the economic upheaval brought about by Covid-19, when it became clear that BJSS could continue to operate without the need of external support the Board took the decision to return all monies received through the furlough scheme.

Partners and suppliers

The Board recognises the key role our suppliers play in ensuring we deliver a reliable service to our customers. BJSS depends on the capability and performance of our suppliers, contractors and other partners, such as product or cloud partners, industry peers and academia, to help deliver the services we need for our operations and customers.

The Board is kept appraised of our partner eco-system and relationships with our key delivery partners such as AWS, Microsoft and our participation in industry events and through broader professional membership.

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2021

S172(1) Statement - continued

Communities

The BJSS Board consult with people in areas which our regional offices reside to gain valuable perspectives on the ways in which our activities could impact the local community or environment.

The Board is conscious of BJSS' importance in the communities it serves and has carefully considered the impact of certain business decisions on affected communities. It has also carefully considered the needs of our society as a whole and endeavoured to identify sectors with additional needs, such as the BJSS CSR programme focusing on youth in technology. See bjss.com/community.

The BJSS Board will continue to take key stakeholders' views into account in considering further business decisions, whilst promoting the long-term sustainable success of BJSS.

Further information is made available on the website, bjss.com which is regularly updated.

Approved by the Board on Aug 25, 2021 2021
and signed on its behalf by:

Glynn Robinson
Glynn Robinson (Aug 25, 2021 17:31 GMT+1)

G P Robinson
Director

BJSS Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

The directors present their report and the Group financial statements for the year ended 30 April 2021.

In preparing their report, the directors have chosen in accordance with section 414C(11) to set out in the Group's strategic report information in relation to risks and mitigation, future developments in the business, and branches outside the UK.

Directors of the Company

The directors who held office during the year were as follows:

- D M Hunter
- A Vincent
- G P Robinson
- S D Bullock
- J M Whitehouse (resigned 11 December 2020)
- A A Pickard
- M Robison
- G B J Thomas
- M Buck (appointed 8 June 2020)
- A Campbell (appointed 8 June 2020)
- C Geary (appointed 8 June 2020)

Dividends

The directors propose a final dividend payment of £536,533 on the preference shares in respect of the financial year ended 30 April 2021 (£477,999 in 2020). The dividend has not been recognised as a liability in the financial statements.

The directors do not propose the payment of a final dividend on the ordinary shares in respect of the financial year ended 30 April 2021.

After the year end, interim dividend payments on the ordinary shares of £17.386m have been paid in respect of the financial year ending 30 April 2022 (2021: £51.610m).

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged.

It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

More than ever due to recent global events, the Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group through regular email communications, formal and informal virtual meetings and through the Group intranet.

A comprehensive appraisal is conducted annually for each employee to obtain their views on a wide range of matters affecting their current and future interests.

Energy and Carbon report

Our environment policy takes our aspirations to the next level by pulling together our activities to be more strategic, more rigorous and more transparent.

We have focussed on two priority areas where we believe we can make the greatest difference: Creating a Sustainable Great Place to Work, and Driving Environmental Benefits through Business Growth. Within these we have set ourselves a series of aims that will be measured, independently audited and reported. We will become a net-zero carbon business by 2025 by reducing our environmental impact, minimising waste, conserving water and by offsetting our emissions in the short-term.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021 - CONTINUED

The leadership team works closely with employees to innovate and develop our environmental strategies. We actively work with our clients, partners and suppliers to support these commitments. The policy is refreshed annually.

BJSS commissioned an external Energy Savings Opportunities Scheme (ESOS) audit to assess our environmental impact during the period of 1st January 2019 to 31st December 2019. We used this 2019 calendar year reporting period as a baseline year for the Streamlined Energy and Carbon Reporting as reported for the financial statements for the year ended 30 April 2020. For this reporting period, 1st May 2020 to 30th April 2021, BJSS again commissioned an external audit to assess our environmental impact. Covid-19 has obviously impacted the FY2021 measurements significantly.

BJSS' only areas of significant energy consumptions are energy use within our offices, of which there are 5 UK offices in scope, and fuel used by transport, primarily private cars, on BJSS business. BJSS did not consume any process energy during the assessment period.

Energy consumption of BJSS offices was based on meter readings of gas consumption within the Manchester Office and electricity consumption within the Leeds, London, Bristol, Manchester and Nottingham offices. The proportion of BJSS' total energy consumption associated with buildings is 93.7% (up from 62.5% in the prior year).

Energy consumption of transport was based on the mileage claims of employees travelling on BJSS business in private cars. As per the reporting requirements energy used during train journeys and flights is not reported. The proportion of BJSS' total energy consumption associated with transport is 6.3% (down from 37.5% in the prior year).

Emissions were calculated using the GHG Protocol Corporate Standard.

The relevant intensity ratio reported is energy consumption per person employed (based on average number of persons employed for the period). The unit was changed from TCO2e in the prior reporting period to kwCO2e in this reporting period for increased clarity. Conversions of prior year figures have been made accordingly.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021 - CONTINUED

Energy and Carbon report continued

Item	Energy Consumption (kWh)	Emissions (TCO2e)	Intensity Ratio (kgCO2e/ Person Employed)
2019/2020			
Buildings	1,256,675 (786,510 Electricity) (470,165 Gas)	287 (201 Electricity) (86 Gas)	258
Transport	753,379	181	162
Total	**2,010,054**	**468**	**420**
2020/2021			
Buildings	194,488 (193,829 Electricity) (659 Gas)	45 (45 Electricity) (0.12 Gas)	35
Transport	18,378	8	6
Total	**212,866**	**53**	**41**
Variance			
Buildings	-1,062,187 (-84%)	-242 (-84%)	-223 (-86%)
Transport	-735,001 (-98%)	-173 (-95%)	-156 (-96%)
Total	**-1,797,188 (-89%)**	-415 (-89%)	-379 (-90%)

Disclosure of information to the auditors

So far as the directors are aware, there is no information relevant to the audit of which the Group's auditors are unaware. The directors have taken the necessary steps to ensure that they themselves are aware of all relevant audit information and made sure that the Group's auditors are also aware of that information.

Approved by the Board on Aug 25, 2021 2021

and signed on its behalf by:

Glynn Robinson
Glynn Robinson (Aug 25, 2021 17:31 GMT+1)

G P Robinson
Director

BJSS Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRSs as adopted by the EU).

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 Group and the company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the European Union and are in accordance with the Companies Act 2006;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

BJSS Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BJSS LIMITED

Opinion

We have audited the financial statements of BJSS Limited for the year ended 30 April 2021 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the 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 International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRSs as adopted by the EU).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and company's affairs as at 30 April 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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 inconsistences 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BJSS LIMITED - CONTINUED

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 in 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 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's 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 cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BJSS 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Using our general commercial and sector experience and through discussions with the directors and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.
- We examined the company's regulatory and legal correspondence and discussed with the directors and other management any known or suspected instances of fraud or con-compliance with laws and regulations.
- We communicated and discussed identified laws and regulations and potential fraud risks with all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In addressing the risks of management override of controls we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Brown Butler

Linda Cooper (Senior Statutory Auditor)

on 26 August **2021**

For and on behalf of Brown Butler
Chartered Accountants and Statutory Auditor
Leigh House, 28-32 St Paul's Street, Leeds LS1 2JT

BJSS Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 (£'000)		2020 (£'000)	
Continuing Operations					
Revenue from contracts with customers	7		187,125		164,799
Cost of providing services - ordinary	8	(108,982)		(103,229)	
Cost of providing services - abnormal	8	-		(775)	
Cost of providing services			(108,982)		(104,004)
Gross profit			78,143		60,795
Administrative expenses excluding share-based payments		(32,567)		(27,597)	
Share-based payments	24	4,106		(2,214)	
Administrative expenses			(28,461)		(29,811)
Net impairment losses on financial and contract assets	15		(72)		(865)
Operating profit			49,610		30,119
Finance income		10		23	
Finance costs	8	(505)		(254)	
Finance costs - net			(495)		(231)
Profit before income tax			49,115		29,888
Income tax expense	12		(9,857)		(5,632)
Profit for the year			39,258		24,256
Other comprehensive income/(expense)					
Exchange profit/(loss) on retranslation of subsidiary undertaking			(92)		5
Total comprehensive income for the year attributable to the owners of BJSS Limited			**39,166**		**24,261**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

BJSS Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	Note	2021 (£'000)	2020 (£'000)
ASSETS			
Non-current assets			
Property, plant and equipment	13	**10,212**	11,429
Deferred tax	14	**6,470**	4,448
Total non-current assets		**16,682**	**15,877**
Current assets			
Cash and cash equivalents	15	**32,337**	34,275
Trade and other receivables	16	**33,509**	34,809
Contract assets	7	**410**	706
Income Tax		**739**	1,341
Other assets	17	**1,723**	1,482
Total current assets		**68,718**	**72,613**
Total assets		**85,400**	**88,490**
LIABILITIES			
Non-current liabilities			
Obligations under leases	19	**(7,116)**	(8,523)
Total non-current liabilities		**(7,116)**	**(8,523)**
Current liabilities			
Trade and other payables	18	**(12,183)**	**(7,212)**
Contract liabilities	7	**(947)**	**(440)**
Obligations under leases	19	**(1,396)**	**(1,539)**
Income tax		**-**	**-**
Other tax and social security liabilities		**(16,299)**	**(9,140)**
Total current liabilities		**(30,825)**	**(18,331)**
Total liabilities		**(37,941)**	**(26,854)**
NET ASSETS		**47,459**	**61,636**

The above statement of financial position should be read in conjunction with the accompanying notes.

BJSS Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	Note	2021 (£'000)	2020 (£'000)
EQUITY			
Share capital	20	14	14
Share premium reserve	21	35	35
Capital redemption reserve	21	8	8
Share-based payment reserve	21	11,125	12,381
Retranslation reserve	21	(304)	(212)
Retained earnings	22	36,581	49,410
Total equity		**47,459**	**61,636**

These financial statements were approved and authorised for issue by the Board on Aug 25, 2021 2021 and signed on its behalf by:

Glynn Robinson
Glynn Robinson (Aug 25, 2021 17:31 GMT+1)

G P Robinson
Director

The above statement of financial position should be read in conjunction with the accompanying notes.

BJSS Limited: Company Number 02777575

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	Note	2021 (£'000)	2020 (£'000)
ASSETS			
Non-current assets			
Property, plant and equipment	13	**9,875**	10,852
Deferred tax	14	**6,470**	4,448
Total non-current assets		**16,345**	**15,300**
Current assets			
Cash and cash equivalents	15	**31,313**	31,220
Trade and other receivables	16	**36,975**	36,023
Contract assets	7	**410**	706
Income tax		**739**	1,341
Other assets	17	**1,650**	1,421
Total current assets		**71,087**	**70,711**
Total assets		**87,432**	**86,011**
LIABILITIES			
Non-current liabilities			
Obligations under leases	19	**(6,949)**	**(8,141)**
Total non-current liabilities		**(6,949)**	**(8,141)**
Current liabilities			
Trade and other payables	18	**(15,035)**	(6,886)
Contract liabilities	7	**(947)**	(345)
Obligations under leases	19	**(1,215)**	(1,351)
Income tax		**-**	-
Other tax and social security		**(16,310)**	(9,140)
Total current liabilities		**(33,507)**	**(17,722)**
Total liabilities		**(40,456)**	**(25,863)**
NET ASSETS		**46,976**	**60,148**

The above statement of financial position should be read in conjunction with the accompanying notes.

BJSS Limited: Company Number 02777575

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	Note	2021 (£'000)	2020 (£'000)
EQUITY			
Share capital	20	14	14
Share premium reserve	21	35	35
Capital redemption reserve	21	8	8
Share-based payment reserve	21	11,125	12,381
Retained earnings		35,794	47,710
Total equity		**46,976**	**60,148**

These financial statements were approved and authorised for issue by the Board on Aug 25, 2021 2021 and signed on its behalf by:

Glynn Robinson
Glynn Robinson (Aug 25, 2021 17:31 GMT+1)

G P Robinson
Director

The above statement of financial position should be read in conjunction with the accompanying notes.

BJSS Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 APRIL 2021

	Issued capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Retranslation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2019	**14**	**35**	**8**	**10,013**	**(217)**	**37,257**	**47,110**
Profit after income tax expense for the year	-	-	-	-	-	24,256	24,256
Other comprehensive expense for the year, net of tax	-	-	-	-	5	-	5
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**5**	24,256	**24,261**
Transactions with owners in their capacity as owners:							
Dividends paid (note 23)	-	-	-	-	-	(12,103)	(12,103)
Share-based payments	-	-	-	2,368	-	-	2,368
Balance at 30 April 2020	**14**	**35**	**8**	**12,381**	**(212)**	**49,410**	**61,636**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

BJSS Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 APRIL 2021

	Issued capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Share-based payment reserve £'000	Retranslation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 May 2020	**14**	**35**	**8**	**12,381**	**(212)**	**49,410**	**61,636**
Profit after income tax expense for the year	-	-	-	-	-	39,258	39,258
Other comprehensive income for the year, net of tax	-	-	-	-	(92)	-	(92)
***Total comprehensive income* for the year**	-	-	-	-	**(92)**	**39,258**	**39,166**
Transactions with owners in their capacity as owners:							
Dividends paid (note 23)	-	-	-	-	-	(52,087)	(52,087)
Share-based payments	-	-	-	(1,256)	-	-	(1,256)
Balance at 30 April 2021	**14**	**35**	**8**	**11,125**	**(304)**	**36,581**	**47,459**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

BJSS Limited

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 (£'000)	2020 (£'000)
Cash generated from operations			
Profit for the year		39,258	24,256
Adjustments to cash flows from non-cash items			
Depreciation	13	2,636	3006
Dilapidation's write-down	13	120	-
Foreign currency differences on retranslation of property, plant and equipment	13	43	-
(Loss)/profit disposal of property, plant and equipment	13	71	(91)
Interest received		(10)	(23)
Interest paid	8	505	254
Taxation	12	9,857	5,632
R&D tax credit		76	(635)
Share-based payment expense	24	(4,106)	2,214
Total		**48,450**	**34,613**
Working capital adjustments			
Decrease/(Increase) in trade and other receivables		1,354	7,933
Increase/(Decrease) in trade and other payables		12,635	4,042
Cash generated from operations		62,439	46,588
Taxation paid		(8,500)	(7,496)
Net cash from operating activities		**53,939**	**39,092**

The above statement of cash flows should be read in conjunction with the accompanying notes.

BJSS Limited

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 APRIL 2021

	Note	2021 (£'000)	2020 (£'000)
Cash flows from investing activities			
Interest received		10	23
Acquisitions of tangible fixed assets (net of borrowings)	13 & 19	(1,653)	(2,307)
Net cash outflow from investing activities		**(1,643)**	**(2,284)**
Cash flows from financing activities			
Interest paid	8	(505)	(254)
Preference dividends paid	23	(478)	(590)
Ordinary dividends paid	23	(51,610)	(11,513)
Principal elements of finance lease payments		(1,549)	(1,252)
Net cash outflow from financing activities		**(54,142)**	**(13,609)**
Net increase in cash and cash equivalents		**(1,846)**	**23,199**
Foreign exchange translation adjustment		(92)	5
Cash and cash equivalents as at 1 April 2020	15	34,275	11,071
Cash and cash equivalents as at 30 April 2021	15	**32,337**	**34,275**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. General information and basis of preparation

The consolidated financial statements cover BJSS Limited and its subsidiaries (together "BJSS" or "The Group"). The financial statements are presented in pound sterling, which is BJSS Limited's functional and presentation currency. All values are rounded to the nearest thousand (£000), except when otherwise indicated.

BJSS Limited (the company) is a company limited by shares, incorporated and domiciled in England and Wales (company registration number: 02777575), having its registered office and principal place of business at:

1 Whitehall Quay, Leeds, England, LS1 4HR.

During the financial year the principal continuing activities of the Group consisted of bespoke software development, systems integration and IT consultancy related to software development, commercial off the shelf implementation and infrastructure projects as outlined in the Strategic Report. The financial position is outlined in the notes to the financial statements.

2. Adoption of new and revised standards

At the date of authorisation of these financial statements, the following International Financial Reporting Standards (IFRS') and interpretations were in issue and applicable to periods commencing on or after:

› IFRS3 (Amendment) Definition of a Business	1 January 2020
› IFRS9, IAS39 and IFRS7 (Amendment) Interest Rate Benchmark Reform Phase 1	1 January 2020
› Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
› IFRS4 (Amendment) Insurance Contracts - Extension of the Temporary Extension from applying IFRS9	25 June 2020

None of the above standards had a material impact on the consolidated or Company financial statements.

New standards and amendments issued but not yet applied.

The Group does not consider that any standards or interpretations issued by the International Accounting Standards Board, but not yet applicable, will have a significant impact on the consolidated or Company financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

3. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

(i) Compliance with IFRS
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the EU and as detailed in note 2 above.

(ii) Historical cost convention
The consolidated financial statements have been prepared on a historical cost basis, except for specific assets and liabilities measured at fair value, as detailed in the accounting policies below.

(iii) Going Concern
The consolidated financial statements have been prepared on a going concern basis. Management has considered the ongoing consequences of Covid-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern. Covid-19 is not expected to have a significant impact on the Group however, there may be some limited effect on expected future performance as some customers are impacted by the ongoing pandemic.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

3. Significant accounting policies - continued

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 April 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. The company's profit for the financial year was £40,170,739 (2020 - £23,922,459).

Foreign currency transactions

Foreign currency transactions are translated into pound sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Sterling at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI and accumulated as a separate component of equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

3. Significant accounting policies - continued

Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

3. Significant accounting policies - continued

Fair value measurement

The Group initially measures financial instruments and non-financial assets at fair value at each Statement of Financial Position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

At each reporting date, the directors analyse the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the directors verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The directors also compare the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an interim basis, the directors present the valuation results to the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

3. **Significant accounting policies - continued**

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer including expenses and disbursements but excluding Value Added Tax. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of any variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Service revenue

Time and materials contracts
Contracts for the provision of services generally tend to be 'time and materials' contracts whereby the customer is contractually bound to pay for services for each hour or day spent in delivering a contractually agreed services scope. These contracts typically have no payment milestones, refunds or bundling with other services or products. Revenue is therefore recognised in line with the chargeable 'time and materials' which are allocated to the contract project.

Fixed price contracts
When the outcome of a fixed price contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion. This is normally measured by the proportion of contract costs incurred for work performed to date against the estimated total contract costs. This is reviewed on a monthly basis. Where costs are anticipated to be in excess of revenues an onerous contract will be recognised.

Support and maintenance
Support and maintenance fees are recognised on a straight-line basis over the contracted term in line with the estimated delivery of performance obligations.

Third party goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Amounts invoiced for services which will be performed over a period of time are deferred and recognised over the relevant period.

Time and material projects are generally billed when the inputs are known so will therefore occur after the Statement of Financial Position date, which gives rise to unbilled revenue at the Statement of Financial Position date (included within trade and other payables). Payment for the services is generally on industry standard payment terms.

If the total estimated costs and revenues of a contract cannot be reliably estimated, revenue is recognised only to the extent that costs have been incurred and where the Group has an enforceable right to payment as work is being performed. A provision for forecast excess costs over forecasted revenue is made as soon as a loss is foreseen. On occasion, the Group may have a limited number of contracts where revenue is recognised on a percentage of completion basis, which is determined by reference to the costs incurred as a proportion of the total estimated costs of the contract. Due to the nature of the Group's business, revenue is generally recognised over time and point in time revenue is not material.

3. Significant accounting policies - continued

Current tax
The current tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable current tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax
Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recoverthe asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

3. **Significant accounting policies - continued**

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets
Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Costs to obtain a contract
Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

3. Significant accounting policies - continued

Investments and other financial assets
Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on the following basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Asset Class	Depreciation Method and Rate
Leasehold property	Straight line basis over the life of the lease
Leasehold improvements	Straight line basis over the life of the lease
Computer equipment	50% straight line basis
Fixtures and fittings	20% straight line basis*
Bicycles	75-82% straight line basis

*20% reducing balance basis in FY20

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

Significant accounting policies - continued

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and short-life or low value leases, under which the lessor effectively retains substantially all such risks and benefits. For leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead account for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases, mainly in respect of offices, are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments after the deduction of lease payments made at or before commencement date (less any incentives received) restoration costs and initial direct costs. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Leased assets are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Short-life or low value lease payments, mainly small items of office equipment, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

3. Significant accounting policies - continued

Employee benefits

- **Short-term employee benefits**
  Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

- **Defined Contribution Plan**
  The Group has a defined contribution post-employment benefit plan. The post-employment benefit costs charged to profit and loss are the contributions payable in respect of the accounting period.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

Share-based payments
Equity-settled share-based payments to employees are measured with reference to the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 24.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in reserves and total equity, based on the Group's estimate of equity instruments that will eventually vest.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest and the period over which they are expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Value-Added Tax ('VAT') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

4. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key Judgements

- **Estimation of useful lives of assets**
  The company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Details of the depreciation accounting policy are given on page 40.

- **Income tax**
  The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. As at 30 April 2021 a balance of £739k is held as an income tax receivable.

Key Sources of estimation uncertainty

- **Share-based payments**
  Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. Judgement is also required over the ultimate number of share-based payments expected to vest over the period over which this will occur. Such estimates are reconsidered at each Statement of Financial Position date and the charge/credit adjusted accordingly.

  Further details of the share-based payment arrangements and assumptions are given in note 24.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

4. Critical accounting judgements, estimates and assumptions - continued

Key Sources of estimation uncertainty - continued

- **Lease dilapidations**
  A provision has been made for the present value of anticipated costs for future restoration of leased premises within the lease calculation. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss. As at 30 April 2021 a provision for £837k, payable at the end of the respective lease termination dates, is held within Lease obligations in the Statement of Financial Position.

- **Allowance for expected credit losses**
  The allowance for expected credit losses assessment requires a degree of estimation and judgement It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates. Further details are given in note 16.

- **Lease term**
  Where the Group has a lease commitment it has been estimated that the lease term will run to the full commitment and will not be terminated early. Within the reporting period no additional leasehold property agreements have been entered into.

5. Segment information

For management purposes, the Group is organised into business units based on its geographical locations and has four reportable segments, as follows:

- United Kingdom
- USA
- Portugal
- Australia

No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments have been recognised in these financial statements and are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

6. Group Information

Information about subsidiaries

The consolidated financial statements of the Group include:

Principal activities	Name	Country of incorporation	Equity interest 2021 and 2020
Bespoke software development, systems integration and IT consultancy related to software development, COTS implementation and infrastructure projects	BJSS Inc	USA	100%
	BJSS Unipessoal LDA	Portugal	100%
	BJSS Australia Pty Ltd	Australia	100%

BJSS Unipessoal LDA and BJSS Australia Pty Ltd were established during the year as greenfield investments to support the group's international expansion.

7. Revenue

Geographical regions	2021 (£'000)	2020 (£'000)
UK	179,566	155,955
USA	7,559	8,844
Total	**187,125**	**164,799**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	2021 (£'000)	2020 (£'000)
Receivables, which are included in 'trade and other receivables'	33,509	34,809
Contract assets	410	706
Contract liabilities	(947)	(440)

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are transferred to receivables when rights become unconditional, this usually occurs when the Group issues an invoice to the customer.

Contract liabilities primarily relate to the advance consideration received from customers for contracted work and will be recognised as revenue upon completion. £440k included in contract liabilities at 30 April 2020 has been recognised as revenue in the year ended 30 April 2021 (2020: £409k).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

8. Expenses

	2021 (£'000)	2020 (£'000)
Profit before income tax includes the following specific expenses:		
Cost of providing services - ordinary	108,982	103,229
Cost of providing services - abnormal	-	775
Total costs of providing services	**108,982**	**104,004**

In 2020, the Group continued to experience one contract for which it took a decision in the prior year to incur the cost of maintaining a software platform for a short period of time to enable the contract to be fulfilled. This cost is viewed by the directors as abnormal both in size and nature and has therefore been disclosed accordingly. This expense ended in September 2019.

Reconciliation of adjusted pre-tax profit to profit before tax
Adjusted operational profit is adjusted by the same amount as adjusted pre-tax profit as detailed below.

	2021 (£'000)	2020 (£'000)
Adjusted pre-tax profit	45,009	32,877
Share-based payments (note 24)	(4,106)	2,214
Cost of providing services - abnormal	-	775
Profit before tax	**49,115**	**29,888**
Depreciation		
Leasehold property and improvements	1,562	2,114
Computer equipment	916	801
Fixtures and fittings	142	79
Bicycles	16	12
Total depreciation	**2,636**	**3,006**
Finance costs		
Finance lease interest	230	254
Other interest and finance cost	275	-
Total finance costs	**505**	**254**
Rental expense relating to short-life and low value leases		
Minimum lease payments	17	19
Staff costs - see note 9	**111,368**	**92,578**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

9. Staff costs

	2021 (£'000)	2020 (£'000)
Employee costs, including directors, during the year:		
Wages and salaries	97,740	81,252
Social security costs	11,995	9,564
Other post-employment benefits	1,633	1,762
Total	**111,368**	**92,578**

	2021 (No)	2020 (No)
The average number of persons employed by the group (including directors) during the year was as follows:		
Production and administration	1,366	**1,116**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

10. Key Management Personnel compensation

	2021 (£'000)	2020 (£'000)
Key Management Personnel compensation for the year was as follows:		
Short-term employment benefits	5,400	3,304
Post-employment benefits	13	11
Compensation for loss of office	1,112	-
Total	**6,525**	**3,315**

	2021 (No)	2020 (No)
The number of directors that received or were entitled to receive shares under long term incentive schemes was	6	4
The number of directors accruing benefits under a post-employment benefit scheme during the year was	7	9

	2021 (£'000)	2020 (£'000)
Remuneration in respect of the highest paid director:		
Aggregate remuneration	1,263	942

11. Auditor's remuneration

	2021 (£'000)	2020 (£'000)
Audit of the financial statements	57	54
Other feeds payable to auditor:		
All other non-audit services	23	22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

12. Income tax expense

	2021 (£'000)	2020 (£'000)
Current tax	9,109	6,140
Deferred tax - origination and reversal of temporary differences	828	(392)
Adjustment recognised for prior periods - current tax	(80)	(116)
Aggregate income tax expense	**9,857**	**5,632**
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets (note 14)	(828)	392
Decrease in deferred tax liabilities	-	-
Deferred tax - origination and reversal of temporary differences	**(828)**	**392**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	49,115	29,888
Tax at the statutory tax rate of 19%	9,332	5,679
Tax effect amounts which are not deductible/(taxable) in calculating taxable income	97	237
Adjustment for UK tax on overseas profit	489	(31)
Origination and reversal of temporary differences	11	26
Other short term timing differences	86	(163)
Adjustment recognised for prior periods	(158)	(116)
Income tax expense	**9,857**	**5,632**

Rate of tax

It was announced at Budget 2021 that the UK main rate of Corporation tax would increase from 19% to 25% from 1 April 2023. Finance Bill 2021 had however not been substantively enacted at the reporting date, and has therefore not been reflected in the calculation of the deferred tax asset.

The re-measurement of the deferred tax asset to the 25% rate of corporation tax will have a material effect on the deferred tax to be recognised in the Group's next reporting period. Applying this rate to the current year balance would have resulted in a £1.7m increase in the deferred tax recognised directly in equity, and a £300k reduction in the deferred tax charge recognised in the aggregate income tax expense.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

13. Non-current assets - property, plant and equipment

	Group		Company	
	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020 (£'000)
Leasehold property - at value in use	10,711	12,109	10,044	11,377
Less: Accumulated depreciation	(3,638)	(3,452)	(3,266)	(3,248)
Total	**7,073**	**8,657**	**6,778**	**8,129**
Leasehold improvements - at cost	1,805	1,803	1,788	1,783
Less: Accumulated depreciation	(370)	(240)	(360)	(235)
Total	**1,435**	**1,563**	**1,428**	**1,548**
Computer equipment - at cost	3,253	1,736	3,149	1,658
Less: Accumulated depreciation	(1,843)	(936)	(1,770)	(886)
Total	**1,410**	**800**	**1,379**	**772**
Fixtures and fittings - at cost	583	560	574	551
Less: Accumulated depreciation	(301)	(169)	(296)	(166)
Total	**282**	**391**	**278**	**385**
Bicycles - at cost	40	51	40	51
Less: Accumulated depreciation	(28)	(33)	(28)	(33)
Total	**12**	**18**	**12**	**18**

Value in use is treated as deemed cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

13. Non-current assets - property, plant and equipment - continued

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Group	Leasehold property (£'000)	Leasehold improve-ments (£'000	Computer equipment (£'000)	Fixtures and fittings (£'000)	Bicycles (£'000)	Total (£'000)
Balance as at 30 April 2019	2,777	454	862	342	12	4,447
Additions	7,774	1,357	739	193	18	10,081
Disposals	(294)	(817)	(2,648)	(406)	(9)	(4,174)
Depreciation expense	(1,894)	(220)	(801)	(79)	(12)	(3,006)
Depreciation eliminated on disposal	294	789	2,648	341	9	4,081
Balance as at 30 April 2020	8,657	1,563	800	391	18	11,429
Additions	-	47	1,531	57	18	1,653
Disposals	(1,213)	(42)	(2)	(34)	(29)	(1,320)
Dilapidation provision write down	(120)	-	-	-	-	(120)
Depreciation expense	(1,426)	(136)	(916)	(142)	(16)	(2,636)
Foreign currency difference	(38)	(2)	(3)	-	-	(43)
Depreciation eliminated on disposal	1,213	5	-	10	21	1,249
Balance as at 30 April 2021	**7,073**	**1,435**	**1,410**	**282**	**12**	**10,212**

Leasehold property relates to right-of-use assets. See note 28 for further information.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

13. Non-current assets - property, plant and equipment - continued

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Company	Leasehold property (£'000)	Leasehold improve-ments (£'000	Computer equipment (£'000)	Fixtures and fittings (£'000)	Bicycles (£'000)	Total (£'000)
Balance as at 30 April 2019	2,778	452	855	343	12	4,440
Additions	7,042	1,337	699	184	18	9,280
Disposals	(294)	(817)	(2,648)	(406)	(9)	(4,174)
Depreciation expense	(1,690)	(215)	(782)	(77)	(12)	(2,776)
Depreciation eliminated on disposal	293	791	2,648	341	9	4,082
Balance as at 30 April 2020	8,129	1,548	772	385	18	10,852
Additions	-	47	1,506	57	18	1,628
Disposals	(1,213)	(42)	(2)	(34)	(29)	(1,320)
Transfer to Subsidiary	-	-	(10)	-	-	(10)
Dilapidation provision write down	(120)	-	-	-	-	(120)
Depreciation expense	(1,231)	(130)	(887)	(140)	(16)	(2,404)
Depreciation eliminated on disposal	1,213	5	-	10	21	1,249
Balance as at 30 April 2021	**6,778**	**1,428**	**1,379**	**278**	**12**	**9,875**

Leasehold property relates to right-of-use assets. See note 28 for further information.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

14. Non-current assets - deferred tax

Group and Company	2021 (£'000)	2020 (£'000)
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	(50)	(26)
Employee share options	(778)	418
Total	**(828)**	**392**
Deferred tax asset	**6,470**	**4,448**
Movements:		
Opening balance	4,448	3,902
Credited to profit or loss (note 12)	(828)	392
Credited to equity	2,850	154
Closing balance	**6,470**	**4,448**

15. Current assets - cash and cash equivalents

	Group		Company	
	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020 (£'000)
Cash on hand	1	1	1	1
Cash at bank	32,336	34,274	31,312	31,219
Total	**32,337**	**34,275**	**31,313**	**31,220**

If the group's bank balances should become overdrawn, or other credit facilities utilised, such liabilities are secured by debentures given to the group's bankers over the undertakings of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

16. Current assets - trade and other receivables

	Group		Company	
	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020 (£'000)
Trade receivables	31,605	30,833	30,789	28,946
Less: Provision for impairment of receivables	(426)	(478)	(417)	(478)
Total	**31,179**	**30,355**	**30,372**	**28,468**
Other receivables:				
Unbilled revenue	2,330	4,454	2,327	4,344
Amounts due from Group companies	-	-	4,276	3,211
Total	**33,509**	**34,809**	**36,975**	**36,023**

Allowance for expected credit losses

The ageing of the Group receivables and allowance for expected credit losses provided for above are as follows. This has been based on the Group's experience of losses over the past years and the percentage of this amount against total trade receivables.

	Expected credit loss rate 2021	Carrying amount 2021	Allowance for expected credit losses 2021
Not overdue		21, 048	
0 to 1 months overdue		6,564	
1 to 2 months overdue		2,888	
Over 2 months overdue	38.4%	1,108	(426)
Total		**31, 605**	**(426)**

Movements in the provision for impairment of receivables are as follows:

	2021 (£'000)	2020 (£'000)
Opening balance	478	130
Net provision recognised	72	865
Receivables written off during the year	(236)	(94)
Amounts reclassified to Unbilled Revenue	352	(423)
Amounts reclassified to Work at Risk	(240)	-
Closing balance	**426**	**478**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

17. Current assets - other

	Group		Company	
	2021 (£'000)	2020(£'000)	2021 (£'000)	2020 (£'000)
Prepayments	1,525	1,119	1,507	1,109
Other debtors	198	363	143	312
Total	**1,723**	**1,482**	**1,650**	**1,421**

18. Current liabilities - trade and other payables

	Group		Company	
	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020 (£'000)
Trade payables	1,637	2,130	1,586	2,091
Total	**1,637**	**2,130**	**1,586**	**2,091**
Other payables:				
Accrued expenses	9,699	4,582	9,243	4,295
Amounts due to Group companies	-	-	3,526	-
Outstanding defined contribution pension costs	680	500	680	500
Other creditors	167	-	-	-
Total	**12,183**	**7,212**	**15,035**	**6,886**

Refer to note 25 for further information on financial instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

19. Lease liabilities

Lease liabilities are payable as follows:

Group	Future minimum lease payment		Interest		Present value of minimum lease payments	
	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020 (£'000)
Less than one year	1,204	1,293	192	246	1,396	1,539
	1,204	**1,293**	**192**	**246**	**1,396**	**1,539**
Between one and five years	4,550	5,043	495	633	5,045	5,676
Greater than five years	2,019	2,741	52	106	2,071	2,847
	6,569	**7,784**	**547**	**739**	**7,116**	**8,523**
Total	**7,773**	**9,077**	**739**	**985**	**8,512**	**10,062**

Company	Future minimum lease payment		Interest		Present value of minimum lease payments	
	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020 (£'000)
Less than one year	1,029	1,117	186	234	1,215	1,351
	1,029	**1,117**	**186**	**234**	**1,215**	**1,351**
Between one and five years	4,386	4,669	494	625	4,880	5,294
Greater than five years	2,018	2,741	51	106	2,069	2,847
	6,404	**7,410**	**545**	**731**	**6,949**	**8,141**
Total	**7,433**	**8,527**	**731**	**965**	**8,164**	**9,492**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

20. Equity - issued capital

	2021 Shares (000)	2020 Shares (000)	2021 (£'000)	2020 (£'000)
'A' Ordinary shares of £0.01 each - fully paid	995	995	10	10
'C' Ordinary shares of £0.01 each - fully paid	342	342	3	3
'B' Preference shares of £0.01 each - fully paid	23	24	1	1
Total	**1,360**	**1,361**	**14**	**14**

Ordinary shares

The holders of 'A' ordinary shares are not entitled to any dividends proposed on any other class of share. They have the right to receive notice of, attend, speak or vote at general meetings of the company.

The holders of 'C' ordinary shares are not entitled to any dividends proposed on any other class of share. They have no right to receive notice of, attend, speak or vote at general meetings of the company.

The holders of the 'B' non-cumulative preference shares of £0.01p each are entitled to a non-cumulative preference dividend in accordance with the company's Articles of Association. The dividend is payable no later than 12 months after the end of the accounting year. No dividend can be paid to the holders of 'A' or 'C' ordinary shares in respect of any financial year until the preference share dividend has been paid.

The 'B' non-cumulative preference shares are preferred to ordinary shares in the event of winding up in respect of the paid-up share capital and any arrears on dividends.

After the payment of all paid up share capital and arrears of dividends the balance of any assets shall be distributed amongst the holders of all shares (pari passu as if the same constituted one class of share).

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is not subject to any externally imposed capital requirements and has no borrowings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

21. Equity - reserves

	2021 (£'000)	2020 (£'000)
Share premium reserve	35	35
Capital redemption reserve	8	8
Share-based payments reserve	11,125	12,381
Retranslation reserve	(304)	(212)
Total	**10,864**	**12,212**

Share premium reserve
This reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve
The reserve represents the nominal value of shares purchased by the company.

Share-based payments reserve
This reserve represents the fair value of share-based payment plans.

Retranslation reserve
This reserve represents cumulative differences on the consolidation of the foreign subsidiaries.

22. Equity - retained earnings

	2021 (£'000)	2020 (£'000)
Retained earnings at the beginning of the financial year	49,410	37,257
Profit after income tax expense for the year	39,258	24,256
Dividends paid (note 23)	(52,087)	(12,103)
Retained earnings at the end of the financial year	**36,581**	**49,410**

23. Equity - dividends

	2021 (£'000)	2020 (£'000)
Dividends paid during the financial year were as follows:		
Interim dividend for the year ended 30 April 2021 (2020: 30 April 2020) of £151.13 (2020: £33.71) per 'C' ordinary share	51,610	11,513
Interim dividend for the year ended 30 April 2021 (2020: 30 April 2020) of £20.60 (2020: £24.57) per preference share	477	590
Total	**52,087**	**12,103**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

24.Share-based payment arrangements

Description of share-based payment arrangements
At the year end the company had one equity-settled share-based payment plan in place, with one other such scheme ceasing with all remaining options lapsing in the year. Shares issued under these schemes entitle the option holders to subscribe for the company's 1p 'A' ordinary share capital at an exercise price of 1p per share.

BJSS Limited Enterprise Management Incentive Share Option Scheme - Options have a nine year term become exercisable on an admission of the company to a recognised stock exchange or on the sale of the entire share capital of the company to a third party and are forfeited on termination of employment and expire on the ninth anniversary of granting of the option. The option price of £1 per employee is not reflective of the number of shares which the employee has option to. The maximum number of shares available under this scheme is 19,175. In the year ended 30 April 2021 7,707 share options have lapsed leaving a year-end balance of Nil.

BJSS Share Option Plan 2017 - Options become exercisable on a capital raising that the board has determined should be treated as an exit, on an admission of the company to a recognised stock exchange or on the sale of the entire share capital/assets of the company to a third party and are forfeited on termination of employment. The maximum number of shares under this scheme is 66,626. In the year ended 30 April 2021 4,020 options lapsed leaving a year-end balance of 62,242.

The key terms and conditions related to the grants under these schemes are as follows; all options are to be settled by the physical delivery of shares:

Grant date/ employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Enterprise Management Incentive Share Option Scheme	-	On admission of the company's share capital to a Recognised Stock Exchange or on completion of the sale of the entire share capital of the company	9 years
Share Option Plan 2017 granted year ended 30 April 2018	62,242	The date on which an Exit occurs	Non-contractual

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

24.Share-based payment arrangements - continued

Measurement of fair values

The fair value of the share-based payment plans have been valued using the Black Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value. In the absence of historic volatility data and actual share price expected volatility, the fair value of shares at grant date have been estimated using the volatility rates and share prices at grant date of comparable companies.

The inputs used in the measurement of the fair values of the share-based payment plans were as follows:

	Enterprise Management Option Scheme	Share Option Plan 2017
Fair value	£4.80	£105
Share price at grant	£2.36 - £7	£220
Exercise price	£0.01	£0.01
Expected volatility (weighted average)	30%	30%
Expected dividends	Nil	Nil
Remaining contractual life (weighted average)	Ceased in 2021	Non-contractual
Risk-free interest rate (based on government bonds)	2.5%	2.5%

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

Expense recognised in profit or loss

The current year credit/(expense) recognised in profit or loss in relation to equity settled share-based payment transactions was £4,106,000 (2020: £(2,214,000)).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

25. Financial instruments

Financial risk management objectives
The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Principal financial instruments
The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade Receivables
- Cash and cash equivalents
- Trade and other payables

There are no financial assets or financial liabilities shown in the statement of financial position carried at fair value. The fair value for financial assets and financial liabilities not measured at fair value is not stated as the carrying amount is a reasonable approximation of fair value.

Market risk
Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

25. Financial instruments - continued

Foreign currency risk

The Group's activities expose it to changes in foreign currency exchange rates. This risk is measured through the Group's budgeting and cash flow forecasting processes which identify net foreign currency exposures in US Dollars. The Finance function quantifies and suggests risk mitigation measures to manage the risk in accordance with Group policies and obtains director approval for implementation of these risk mitigation procedures.

There has been no change to the nature of market risk which the Group was exposed to during the year.

The Group does not currently hedge expected future revenue denominated in US Dollars as the net exposure is not material to the Group's financial performance or position.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2021 (£'000)	2020 (£'000)	2021 (£'000)	2020(£'000)
US Dollars	4,588	2,965	3,919	1,486
Euros	530	-	832	-
Australian Dollars	53	-	105	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

25. Financial instruments - continued

Foreign currency sensitivity analysis

The following table details the Group's profit and loss sensitivity to a 1% increase in Sterling against the relevant foreign currencies. 1% is the sensitivity rate used when considering foreign currency risk internally by key management personnel. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates, whilst keeping all other factors constant. A positive number below indicates an increase in profit and other equity where Sterling strengthens 1% against the relevant currency. For a 1% weakening of Sterling against the relevant currency, there would be a comparable impact on the profit and other equity and the balances below would be negative:

	Impact	
	2021 (£'000)	2020 (£'000)
1% increase in strength of sterling	(3)	15

Interest rate risk management

The Group's exposures to interest rates on financial assets are detailed in the liquidity risk management section of this note. The Group's exposure to interest rate risk is immaterial to its financial performance and position given that no external borrowings are held, and bank deposit interest income amounted to £10,393 during the year ended 30 April 2021 (2020: £14,744).

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults, many of whom are UK government public sector bodies. The Group uses publicly available financial information and its own trading records to rate its major customers.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves and banking facilities and by matching the maturity profiles of financial assets and liabilities. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The interest rates obtained on the Group's bank deposits during the year attracted interest at below 1% per annum. All cash balances are instantly accessible.

The Group expects to meet its obligations from existing cash balances and future operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

25. Financial instruments - continued

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less (£'000)	Between 1 and 5 years (£'000)	Over 5 years (£'000)	Remaining contractual maturities (£'000)
2021				
Non-derivatives:				
Non-interest bearing				
Trade payables	1,637	-	-	1,637
Other payables	27,792	-	-	27,792
Total non-derivatives	**29,429**	-	-	**29,429**
2020				
Non-derivatives:				
Non-interest bearing				
Trade payables	2,130	-	-	2,130
Other payables	14,662	-	-	14,662
Total non-derivatives	**16,792**	-	-	**16,792**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

26. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Directors are considered key management personnel of the company. Details of aggregate compensation are shown in note 10.

During the year, dividends totalling £51,496,713 (2020: £11,482,870) were paid to companies under common ownership, Vinter Estates Limited and Huggins Properties Limited. Dividends to key management personnel totalled £113,287 (2020: £30,242).

27. Ultimate controlling party

The Group is controlled by A Vincent and D M Hunter by virtue of the fact that between them they own the majority of the issued share capital of BJSS Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

28. Leases

The Group leases office facilities. The leases typically run for a period of up to 10 years, with an option to renew the lease after that date. These leases are capitalised as right-of-use assets.

The Group leases computer equipment and small fixtures with contract terms of up to 5 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

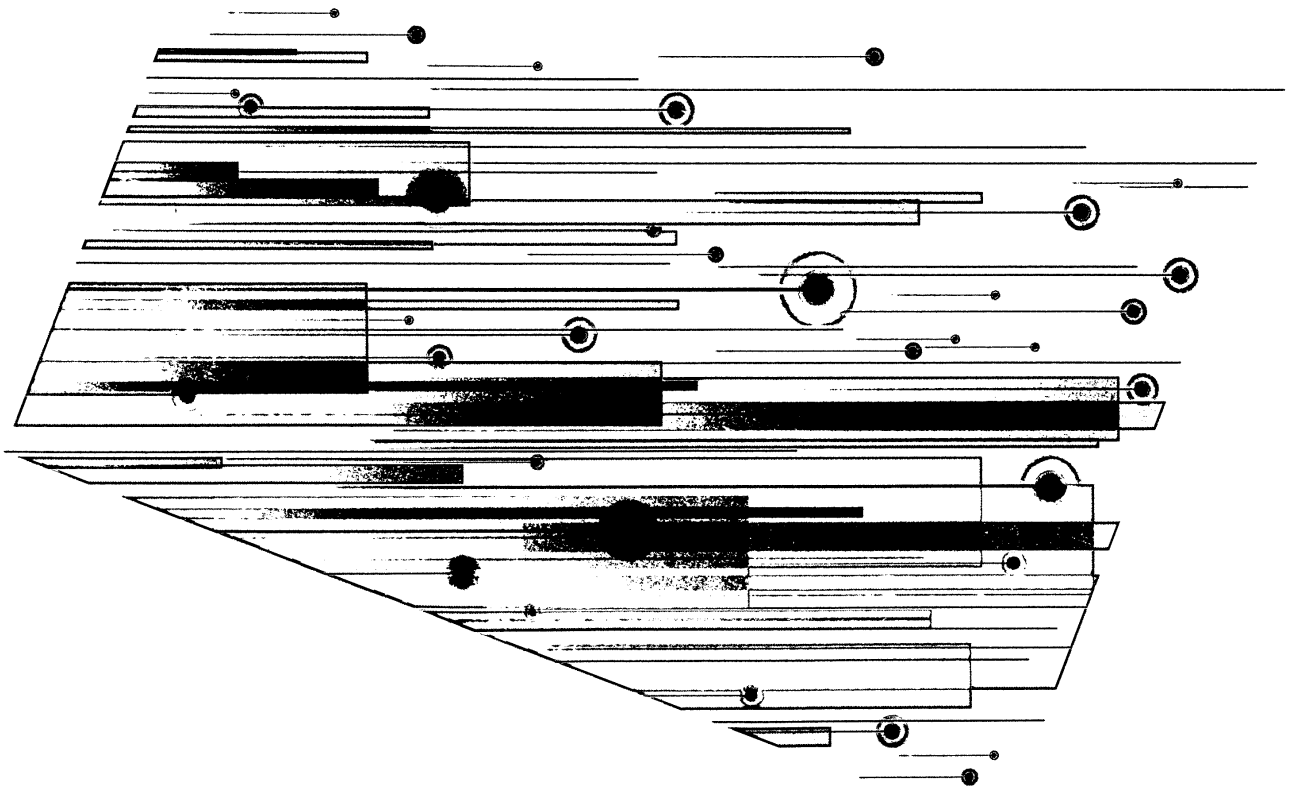
Right-of-use assets related to leased properties are presented as leasehold property (see note 13).

	2021 (£'000)	2020 (£'000)
Balance at 1 May 2020	8,657	2,777
Additions	-	7,774
Disposal	(1,213)	(294)
Dilapidation provision write back	(120)	-
Depreciation expense	(1,426)	(1,894)
Depreciation eliminated on disposal	1,213	294
Foreign currency difference	(38)	-
Balance at 30 April 2021	**7,073**	**8,657**

Amounts recognised in profit or loss

	2021 (£'000)	2020 (£'000)
Interest on lease liabilities	230	254
Expenses relating to leases of low value assets	17	19

Amounts recognised in statement of cash flows

	2021 (£'000)	2020 (£'000)
Total cash outflow for leases	1,549	1,128

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