

Methods Business And Digital Technology Limited

Annual Report and Financial Statements

For the year ended 30 April 2023

Company Registration No. 02485577 (England and Wales)

Methods Business and Digital Technology Limited

Company Information

Directors	P Rowlin S Horrocks Z Lewis P Crossley-Smith A Morgans M Hewitt P F J Bonhomme A Flande D Federico	(Appointed 9 February 2023)
Company number	02485577	
Registered office	Saffron House 6-10 Kirby Street London EC1N 8TS	
Auditor	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP	

Methods Business and Digital Technology Limited

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Methods Business and Digital Technology Limited

Strategic Report

For the year ended 30 April 2023

The directors present the strategic report for the year ended 30 April 2023.

Fair review of the business

Our mission

Methods will continue to be the UK's leading transformation partner for public services. Our mission is to deploy modern technology to deliver improved business and social outcomes that are people-centred, safe, and flexible for the future. We do this by combining innovative people, proven delivery methods, market-driven technology solutions, UK-based talent with security clearance, regional offices for supporting local clients, Government approved secure facilities, and effective partnerships with market leading specialist product and technology suppliers.

Our people

As specialists in technology-enabled public service modernisation, Methods' colleagues share an enviably strong sense of mission. Our recruitment efforts focus on finding the best talent from all areas and communities across the country and we are involved in various independent projects to nurture young talent and apprentices. Upon joining, all colleagues take part in our focussed induction programme and are then 'buddied' with a more experienced colleague for their first few months. This process, coupled with our wide ranging and ongoing investment in learning and development, has contributed to increased colleague retention during the year, underpinning positive growth in colleague numbers.

The Board holds collective responsibility for ensuring best practice and delivery in relation to gender and pay equality, as well as diversity and inclusion, formally reviewing these key commitments on a quarterly basis. This oversight underpins our focus as an equal opportunities' employer, dedicated to the recruitment, nurturing and growth of talent from all backgrounds and ethnicities.

In designing and delivering organisational transformation, colleagues are highly motivated by the opportunities presented by modern Cloud-based utilities and services to transform public services, safeguarding them for the digital era. Whether they are cloud engineers, technology and service architects, service management specialists, developers, data scientists, or experts in creating user-centric digital experience, Methods' people are recognised for their shared commitment and approach to modernisation by deploying a common set of professional values. Our shared values: our commitment to the use of government design standards; Cloud-first architecture and services; open standards as appropriate; security by design underpinned by adoption of Agile lifecycles and techniques have been honed over 20 years.

Our financial performance

The Company operates through two divisions: Professional Services who provide IT Contractor services mainly to the UK Public Sector, and IT Services who provide outcome-based IT related services. Revenue grew from £89.2m in 2022 to £97.5m in 2023, with 16.4% growth in IT Services from £70.6m to £82.2m, and 21.7% decline in Professional Services from £18.6m in 2022 to £15.3m in 2023. This continued the trends of the last four years with Professional Services impacted by the implementation of new IR35 rules in the Public Sector in 2017, and IT Services benefitting from increased spend in our key market.

Operating profit before share-based payments and sale related costs has increased from £3.3m (3.7%) in 2022 to £6.6m (6.5%). This increase arises from continued investment in sales and marketing and new offerings.

Our order book decreased over the year from £46.0m to £45.0m.

The company's cash at bank and in hand balance increased from £10.2m to £14.4m, of which £13.8m is held in our parent company cash pool on our behalf with no restrictions on availability to the business and £0.6m is held in our own name.

Methods Business and Digital Technology Limited

Strategic Report (Continued)

For the year ended 30 April 2023

The future

In working extensively with public services, we strive to deliver efficiently, to deliver value early and to facilitate clients' own capabilities. We continue to offer new ideas and working through practical ways of enhancing our services to deliver higher quality and better value outcomes, quicker than our competitors.

Additionally, we are continuing to invest in developing our own complex delivery services for clients to adopt where it would be either not cost effective or too difficult for clients to do it for themselves. Whilst the overall outsourcing trend has slowed, there are still a range of specialist services in - as examples - managed cloud services, multi-vendor management, service integration, cloud automation and orchestration, security operations, building applications rapidly, adoption of new technologies to deliver new business capabilities where we are very well placed to offer new and enhanced capabilities for our customers.

Our primary markets are: central government, education, justice, defence, healthcare, borders, environment and food, transport and local and place based services. Future government spending plans include continued investment in digital and cloud services together with an on-going push to reduce the reliance on legacy technology and related services. Many large public sector organisations still retain a significant legacy technology base. This migration and transition capability is a core competence.

Whilst we maintain a position of being technology agnostic, we also have expertise in market leading products such as Microsoft enterprise technologies, AWS services, ServiceNow as examples. We believe that they will continue to be the technologies of choice for many government organisations working at scale.

We are optimistic that a responsive UK based expert supplier of specialist market-leading competencies to enable better use of new and emerging technology has a solid future for profitable growth and to prosper.

Methods Business and Digital Technology Limited

Strategic Report (Continued)

For the year ended 30 April 2023

Principal risks and uncertainties

There are many actual and potential risks which could have a material impact on Methods operations, its financial results, reputation with clients and colleagues and the value of its assets. These could cause future results to miss forecast and have other material adverse consequences. Every year the board carries out an assessment of the principal risks facing the Company including those that could impact its business model, future performance and solvency. The list below identifies the principal risks but is not intended to be exhaustive

- staff recruitment and retention
- lack of new business development
- customer churn
- financial weakness
- systems collapse

The Board reviews and agrees policies for managing risk and keeps a register which is effective at anticipating and planning for high probability low impact events such as management or client loss. In the light of recent events stemming from the Covid-19 pandemic the board has decided to look at risk in a different and more strategic way. The greater the risk, the less likely it seems, and the less risky it becomes. Countering the cognitive biases that influence decision making by a board about strategic risk and existential threat requires processes that are explicitly designed and implemented to avoid the worst anticipation failures. The pandemic has made the “standard” risk assessment of probability times impact to be seen as wholly inappropriate. Time, not probability, is the critical factor. Two estimates of time are relevant: how long will it be before calamity strikes and the time required to implement mitigation options. If the former is genuinely greater than the latter, then there exists a positive Safety Margin. This concept of the Safety Margin is critical. However thoroughly analysed, assessments of probability done once a year are of limited value before an existential threat materialises and of no value whatsoever if the threat materialises in fact. The Safety Margin on the other hand, if properly analysed and appropriately used, can be of great value before and after a threat materialises and throughout mitigation activity.

The focus of the board in assessing Strategic Risk, is on monitoring high-value, leading warning indicators of a potential threat becoming an actual threat. These indicators are reflected in our choice of KPIs and discussed at every board meeting. Successful adaptation in the face of a material risk relies on resilience: how fast can Methods respond to a negative event. Resilience is a function of several interacting factors, including maintenance of staff and cash reserves, organisational problem detection and problem-solving capabilities. Investing in adaptation in the face of Strategic Risk could be seen as a cost or diverting resources from investment but the Board believes that it creates real value.

As Covid-19 demonstrated, there are many risks which are currently unknown and outside the Company’s control. Where possible Methods takes steps to mitigate risks but realises that it cannot safeguard against all of them. Therefore, the approach of the board has been to monitor risks and focus on the time to respond to an arising risk rather than cope with all potential risks; this is done regularly at board meetings by assessing the Company’s performance. There has been no material change to Methods risk profile from previous years and the board considers its risk assessment processes to be reasonable robust and comprehensive for a company of its size.

Reporting on section 172 of the Companies Act 2006

The Directors continue to have regard to the interests of key stakeholders of the Company and those of its related undertakings, including the impact of its activities on the community, environment and the Company’s reputation, when making decisions. The Directors, acting fairly between shareholders, and acting in good faith, consider what is most likely to promote the success of the Company for its shareholders in the long term. The Directors receive monthly updates from management on matters affecting the Company’s stakeholders which assists the Directors in their decision-making process.

Methods Business and Digital Technology Limited

Strategic Report (Continued)

For the year ended 30 April 2023

Performance and development

The Company made Operating Profit before share-based payments and sale related costs of £6.6m (2022: £3.3m) for the year on a turnover of £97.5m (2022: £89.2m).

At 30 April 2023 the Company had net assets of £19.9m (2022: £14.6m).

Key financial and other performance indicators

The Board monitors at each of its monthly board meetings the following key performance indicators as these are the strongest indicators of the ongoing financial health of the Company in terms of profit and cash flow.

- Turnover: £97.5m (2022: £89.2m)
- Profitability¹: 6.5% (2022: 3.7%)
- EBITDA ²: £6.6m (2022: £3.4m)
- Cash generated from operations: -£9m (2022: -£1m)
- Order Book: £45.0m (2022: £46.0m)
- Staff Attrition ³: 23.0% (2022: 36.0%)
- Contractor Ratio ⁴: 56.0% (2022: 65.6%)

1 = Operating profit before share-based payments and sale related costs / Turnover

2 = Earnings before interest, tax, depreciation, amortisation, share-based payments, exceptional items and amounts written off investments.

3 = Staff Leavers / The average of Staff Heads at start of year and staff heads at the end of the year

4 = Contractor FTE's delivering services to clients / Total of Staff and Contractor FTEs delivering services to clients

On behalf of the board

M Hewitt

Director

20 September 2023

Methods Business and Digital Technology Limited

Directors' Report

For the year ended 30 April 2023

The directors present their annual report and financial statements for the year ended 30 April 2023.

Principal activities

The principal activity of the company continued to be that of the provision of business change, technology and procurement consultancy services, primarily for public sector clients.

Directors

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

P Rowlin

S Horrocks

Z Lewis

P Crossley-Smith

A Morgans

N Godfrey

(Resigned 9 August 2023)

M Hewitt

P F J Bonhomme

A Flade

D Federico

(Appointed 9 February 2023)

Results and dividends

The results for the year are set out on page 13.

Interim dividends were paid amounting to £nil (2022: £nil). The Directors do not recommend payment of a final dividend (2022: nil).

Methods Business and Digital Technology Limited

Directors' Report (Continued)

For the year ended 30 April 2023

Statement in respect of stakeholder engagement

The Directors have determined that the Company and related undertakings' key stakeholders are the Company's shareholders; staff; associates and contractors; customers; technology partners.

How the Directors engage with these stakeholders is summarised below:

Shareholders

The shareholders of the company are also the Directors. The key areas of interest for the shareholders is the current and future financial performance of the Company along with updates on HR and operational matters. Shareholders are provided with a quarterly report on the following topics: financial performance; sales performance; marketing; HR; operations; risks. The shareholders, as Directors of the company, also determine the overall strategic direction of the Company taking into consideration the needs of all our stakeholders.

Our staff

The Company's long-term success is predicated on the commitment of our colleagues to our purpose and its demonstration of our values every day. We engage with our workforce to ensure that we are fostering an environment that they are happy to work in and supports their well-being. We are making significant investments in our workforce as we believe that maintaining low turnover rates across the entire workforce is a key source of efficiency and productivity. We engage through one-to-one meetings with managers, town hall meetings, update calls and our intranet. The company is also accredited under the Investors In People scheme and we have also recently achieved the Social Value Quality Mark level 1. A colleague forum, which is representative of the various disciplines working in the company, meets every six weeks to discuss issues of importance to colleagues and the Company, the results of which are discussed by the Directors and considered when making decisions.

Our associates and contractors

Our associates and contractors provide key niche skills and flexible capacity which enables us to deliver services to our customers. They are integrated into our project teams and are essential to the success of our projects. Regular communication between management and contractors occurs and the issues facing our contractors are fed back to the Board. The company is in the process of creating an intranet accessible by all our contractors to provide a more structured method of communication. The Board also regularly reviews the appropriate skill mix of our contractors compared to permanent colleagues which can lead to selected key contractors becoming permanently employed.

Our customers

We are in regular communication with our customers both during the delivery of services to ensure we are delivering high quality services, meeting their needs, and through events and ad hoc meetings to establish their longer terms needs and priorities. These discussions are an essential part of decisions both in the way we deliver and interact with our customers and to define current and future service offerings the company invests in.

Our technology partners

The Company establishes partnerships with key technology providers whose products and offerings are core to our service offerings. Then ongoing relationship with our partners is led by a member of the Board and regular meetings and updates are held with partners by the Director and our staff. The Board also reviews whether the Company needs to establish relationships with new partners where new products can enhance services to our clients.

Financial instruments

Financial risk management policy

The company's financial instruments comprise cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations. The main financial risks arising from these financial instruments are liquidity and credit risk.

Methods Business and Digital Technology Limited

Directors' Report (Continued)

For the year ended 30 April 2023

Liquidity risk

Liquidity risk arises in relation to the company's management of working capital and the risk that the company will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and ongoing working capital requirements are regularly reviewed by the Directors.

Credit risk

Trade debtors and trade creditors give rise to credit risk for the company.

Trade debtors are, where appropriate, subject to a credit check, and regular reviews are undertaken of exposures to key customers and those where known risks have arisen or still persist. Unpaid balances are rigorously followed up on an ongoing basis. Any indications of impairment to the recoverability of trade debtor balances are provided for in the statement of comprehensive income.

The risk arising from the possible non-advance of credit by the company's trade creditors either by exceeding the credit limit or not paying within the specified terms is managed by prompt payment and monthly monitoring of the trade balance and credit limit terms for all suppliers.

The financial risk regarding amounts owed by connected companies is considered low risk as they are under the common control of the ultimate shareholders.

Streamlined Energy and Carbon Reporting

Methods Business and Digital Technology Limited are not obligated to report on Streamlined Energy Carbon Reporting as this disclosure will be made under the immediate parent Company, Methods Holdings Limited.

Directors third party indemnity provision

The Company has purchased insurance to cover its Directors and Officers against their costs in defending themselves in any legal proceedings taken against them in that capacity and in respect of damages resulting from the unsuccessful defence of any proceedings.

Statement of disclosure to auditor

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

On behalf of the board

M Hewitt

Director

20 September 2023

Methods Business and Digital Technology Limited

Directors' Responsibilities Statement

For the year ended 30 April 2023

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Methods Business And Digital Technology Limited

Independent Auditor's Report

To the Members of Methods Business And Digital Technology Limited

Opinion

We have audited the financial statements of Methods Business and Digital Technology Limited (the 'company') for the year ended 30 April 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Methods Business And Digital Technology Limited

Independent Auditor's Report (Continued)

To the Members of Methods Business And Digital Technology Limited

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Methods Business And Digital Technology Limited

Independent Auditor's Report (Continued)

To the Members of Methods Business And Digital Technology Limited

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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Methods Business And Digital Technology Limited

Independent Auditor's Report (Continued)

To the Members of Methods Business And Digital Technology Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Jamie Sherman
Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP

22 September 2023

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Methods Business and Digital Technology Limited

Statement of Comprehensive Income

For the year ended 30 April 2023

	Notes	2023 £	2022 £
Turnover	3	97,482,007	89,213,426
Other operating income	3	941,786	959,705
Other external expenses		(61,958,677)	(63,394,618)
Staff costs	7	(24,689,527)	(18,317,527)
Depreciation and other amounts written off tangible fixed assets	12	(175,562)	(178,237)
Other operating expenses		(5,198,642)	(4,972,645)
Operating profit before share-based payments and related costs	5	6,401,385	3,310,104
Charge for share based payments		-	(474,940)
Exceptional costs associated with sale of company	4	212,255	(2,423,057)
Operating profit after share-based payments and related costs	5	6,613,640	412,107
Interest receivable and similar income	9	132,653	9,817
Interest payable and similar expenses	10	-	(5)
Profit before taxation		6,746,293	421,919
Taxation	11	(1,407,906)	1,095,709
Profit for the financial year		5,338,387	1,517,628

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

There are no items of other comprehensive income for either the year or the prior year, accordingly no statement of other comprehensive income has been presented.

Methods Business And Digital Technology Limited

Balance Sheet

As at 30 April 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		226,799		402,361
Current assets					
Debtors	14	34,246,089		18,643,017	
Cash at bank and in hand		569,935		10,236,994	
		34,816,024		28,880,011	
Creditors: amounts falling due within one year	15	(15,134,708)		(12,928,950)	
Net current assets			19,681,316		15,951,061
Total assets less current liabilities			19,908,115		16,353,422
Creditors: amounts falling due after more than one year	16		-		(1,783,694)
Net assets			19,908,115		14,569,728
Capital and reserves					
Called up share capital	19		400		400
Share premium account			352,184		352,184
Profit and loss reserves			19,555,531		14,217,144
Total equity			19,908,115		14,569,728

The financial statements were approved by the board of directors and authorised for issue on 20 September 2023 and are signed on its behalf by:

M Hewitt
Director

Company Registration No. 02485577

Methods Business and Digital Technology Limited

Statement of Changes in Equity

For the year ended 30 April 2023

	Share capital	Share premium	Profit and loss reserves	Total
	£	account £	£	£
Balance at 1 May 2021	400	352,184	12,224,576	12,577,160
Year ended 30 April 2022:				
Profit and total comprehensive income for the year	-	-	1,517,628	1,517,628
Capital contribution from Methods Holdings Limited in relation to fair value of share options granted to employees	-	-	474,940	474,940
Balance at 30 April 2022	400	352,184	14,217,144	14,569,728
Year ended 30 April 2023:				
Profit and total comprehensive income for the year	-	-	5,338,387	5,338,387
Balance at 30 April 2023	400	352,184	19,555,531	19,908,115

Methods Business And Digital Technology Limited

Statement of Cash Flows

For the year ended 30 April 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		4,588,045		(951,559)
Interest paid			-		213,295
Income taxes paid			(770,046)		(467,356)
Net cash inflow/(outflow) from operating activities			3,817,999		(1,205,620)
Investing activities					
Interest received		132,653		9,817	
Net cash generated from investing activities			132,653		9,817
Financing activities					
(Decrease) in loans with connected companies		-		(3,132,953)	
(Increase)/decrease in loans with group companies		(13,617,711)		477,174	
Net cash used in financing activities			(13,617,711)		(2,655,779)
Net decrease in cash and cash equivalents			(9,667,059)		(3,851,582)
Cash and cash equivalents at beginning of year			10,236,994		14,088,576
Cash and cash equivalents at end of year			569,935		10,236,994

Methods Business and Digital Technology Limited

Notes to the Financial Statements

For the year ended 30 April 2023

1 Accounting policies

Company information

Methods Business and Digital Technology Limited is a private company limited by shares incorporated in England and Wales. The registered office is Saffron House, 6-10 Kirby Street, London, EC1N 8TS.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Methods Holdings Limited. These consolidated financial statements are available from its registered office, Saffron House, 6-10 Kirby Street, London, England, EC1N 8TS.

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

1 Accounting policies

(Continued)

1.2 Going concern

The directors have assessed the company's ability to continue trading as a going concern for at least 12 months from the date of approving these financial statements. As part of the directors' assessment a monthly forecast has been produced. In addition, the directors have stress tested these forecasts looking at different severe but plausible scenarios.

Under both the base case and severe but plausible stressed scenarios the company would still have sufficient liquidity and resources to continue trading, and meet its liabilities as they fall due, for at least 12 months from the date of these financial statements. The financial resilience of the company is greatly helped by the cash reserves it has accumulated over the last two years (which is now held by the group), the flexible nature of its cost base due to the number of contractors used to deliver services (allowing cost to immediately reduce as revenue reduces) and the high credit worthiness of its public sector customers.

The directors have a reasonable expectation that the company has adequate resources to continue trading, and meets its liabilities as they fall due for at least 12 months from the date of signing these financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for services net of VAT.

Time and materials revenue is recognised to the extent that time has been completed and materials expensed in the year. The amount recognised is based on the billable value of time worked.

Revenue from fixed price contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. If it is expected that there will be a loss on a contract as a whole, all of the loss is recognised as soon as it is foreseen.

Revenue from managed services or subscription income, where the customer is charged a fixed amount over a period of time, is recognised rateably over period for which the charge applies.

Revenue from the resale of third party goods, licences or services is recognised on the date of delivery to the customer of the goods, licence or services.

Revenue recognised but not yet invoiced to the client is recognised on the balance sheet as Accrued Income within Debtors.

Amounts invoiced to clients in advance of revenue being recognised, are recognised as Deferred Income within Creditors falling due within one year. The balance is released to the profit and loss account as service is delivered to the customer in line with the appropriate revenue recognition method.

1.4 Other external charges

Other external charges comprise the cost of contractors and services outsourced to third party providers.

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

1 Accounting policies

(Continued)

1.5 Other operating charges

Other operating charges comprise the costs incurred with third parties relating to operating the company.

1.6 Tangible fixed assets

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

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

Plant and machinery	Straight line over 3 years
Fixtures, fittings & equipment	Straight line over 5 years
Computer equipment	Straight line over 3 years

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

1.7 Fixed asset investments

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

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

1.8 Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.9 Cash at bank and in hand

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

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

1 Accounting policies

(Continued)

1.10 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Taxation

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

Current tax

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

Deferred tax

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

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

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

1 Accounting policies

(Continued)

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

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

1.16 Share-based payments

The company participated in an equity settled share based payments arrangement granted to certain employees of the subsidiary company. All options were exercised in the year ending 30 April 2022 with the share based payment expenses being recognised over the vesting period.

1.17 Leases

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

1.18 Foreign exchange

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

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgement (apart from those involving estimates) has had the most significant effect on amounts recognised in the financial statements.

Loss making contracts

Where a contract is loss making the company provides for the full loss of the contract once the loss has been identified and validated by management.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition

Revenue is recognised based on the value of services delivered in a period. For time and materials engagements this is based on the billable value of time worked. For fixed price projects the Company recognises revenue based on the percentage completion of the contract. Percentage completion is calculated by dividing the total cost to date on the contract by the total estimated cost for the whole contract. Total estimated costs are based on management judgement and detailed project plans. The accounting policy for revenue is disclosed in note 1.3 of the financial statements and the turnover for the year is disclosed in note 3 of the financial statements.

Recoverability of Work in Progress and Trade Debtors

Where the recoverability of Work in Progress and Trade Debtors is unlikely, a provision is made for the unrecoverable amount. Where it is almost certain the amounts will not be recovered the amounts are written off permanently.

Accruals and provisions

Accruals are based on the best estimate of costs that are expected to be invoiced after the year end. These are based on management's knowledge of costs relating to the Company that have not yet been billed and invoices relating to the financial year that are received after the year end.

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by class of business		
IT services	82,274,691	70,572,803
Professional services	15,207,316	18,640,623
	<u>97,482,007</u>	<u>89,213,426</u>
	2023 £	2022 £
Other significant revenue		
Management fees charged to companies under common control	941,786	956,474
Sundry other income	-	3,231
	<u>-</u>	<u>3,231</u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	97,482,007	89,213,426
	<u>97,482,007</u>	<u>89,213,426</u>

4 Exceptional costs associated with sale of company

	2023 £	2022 £
Wages and salaries	(190,902)	2,108,611
Social security costs	(21,353)	308,383
Other professional fees	-	6,063
	<u>(212,255)</u>	<u>2,423,057</u>

Exceptional items relate to costs accrued in association with the sale of the company. The write back of these costs in the current year has resulted in exceptional income due to an over accrual.

5 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Exchange losses	865	-
Depreciation of owned tangible fixed assets	175,562	178,237
Share-based payments	-	474,940
Operating lease charges	772,455	744,495
	<u>948,882</u>	<u>1,397,672</u>

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

6 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the company	28,000	25,500
For other services		
All other non-audit services	3,630	2,200

7 Employees

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

	2023 Number	2022 Number
Consultants	239	159
Office and Admin	67	56
Sales and Marketing	20	19
	326	234

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	21,306,919	15,861,004
Social security costs	2,629,950	1,911,749
Pension costs	752,658	544,774
	24,689,527	18,317,527

8 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	1,447,669	2,072,707
Company pension contributions to defined contribution schemes	36,663	42,519
	1,484,332	2,115,226

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2022: 5).

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

8 Directors' remuneration

(Continued)

The number of directors who exercised share options during the year was 0 (2022 - 4).

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

	2023 £	2022 £
Remuneration for qualifying services	223,994	619,121
Company pension contributions to defined contribution schemes	8,791	6,562
	<u>232,785</u>	<u>625,683</u>

The remuneration for the prior year includes one-off amounts relating to the completion of the sale of the company.

9 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits and loans	47,471	9,817
Interest receivable from group companies	85,182	-
	<u>132,653</u>	<u>9,817</u>
Total income	<u>132,653</u>	<u>9,817</u>

10 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	5
	<u>-</u>	<u>5</u>

11 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	583,305	229,500
Adjustments in respect of prior periods	-	(710,254)
	<u>583,305</u>	<u>(480,754)</u>
Total current tax	<u>583,305</u>	<u>(480,754)</u>
Deferred tax		
Origination and reversal of timing differences	824,601	(614,955)
	<u>824,601</u>	<u>(614,955)</u>
Total tax charge/(credit)	<u>1,407,906</u>	<u>(1,095,709)</u>

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

11 Taxation

(Continued)

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

	2023 £	2022 £
Profit before taxation	6,746,293	421,919
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2022: 19.00%)</i>	1,315,527	80,165
Tax effect of expenses that are not deductible in determining taxable profit	36,137	421,779
Unutilised tax losses carried forward	(456,074)	-
Change in unrecognised deferred tax assets	824,601	(836,852)
Group relief	3,906	-
Permanent capital allowances in excess of depreciation	(6,985)	-
Other permanent differences	(315,224)	(63,102)
Temporary timing differences	6,018	4,948
Interest and penalties	-	7,607
Losses carried back to prior periods	-	(710,254)
Taxation charge/(credit) for the year	1,407,906	(1,095,709)

12 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost				
At 1 May 2022 and 30 April 2023	75,283	774,222	13,407	862,912
Depreciation and impairment				
At 1 May 2022	38,940	410,438	11,173	460,551
Depreciation charged in the year	15,576	157,752	2,234	175,562
At 30 April 2023	54,516	568,190	13,407	636,113
Carrying amount				
At 30 April 2023	20,767	206,032	-	226,799
At 30 April 2022	36,343	363,784	2,234	402,361

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

13 Fixed asset investments

	2023	2022
	£	£
Unlisted investments	-	-

The unlisted investments represent minority interests in two Limited Liability Partnerships. As at 30 April 2023, the Directors do not believe that the investments are recoverable and therefore the full provision against the investments made in the previous years have remained.

Movements in fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 May 2022 & 30 April 2023	655,000
Impairment	
At 1 May 2022 & 30 April 2023	655,000
Carrying amount	
At 30 April 2023	-
At 30 April 2022	-

14 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	6,817,971	7,012,021
Corporation tax recoverable	917,690	730,949
Amounts owed by group undertakings	13,999,004	250,228
Other debtors	6,244	17,084
Prepayments and accrued income	12,427,558	9,741,247
	34,168,467	17,751,529
Deferred tax asset (note 17)	66,887	891,488
	34,235,354	18,643,017
Amounts falling due after more than one year:		
Other debtors	10,735	-
Total debtors	34,246,089	18,643,017

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

14 Debtors

(Continued)

Amounts due from the parent company (included in amounts owed by group undertakings) are interest bearing at the bank's rate and repayable on demand.

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	572,330	1,133,461
Amounts due to group undertakings	-	499,238
Other taxation and social security	3,319,833	3,433,996
Other creditors	153,691	121,877
Accruals and deferred income	11,088,854	7,740,378
	<u>15,134,708</u>	<u>12,928,950</u>

16 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Accruals and deferred income	-	1,783,694
	<u>-</u>	<u>1,783,694</u>

17 Deferred taxation

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

	Assets 2023 £	Assets 2022 £
Balances:		
Capital allowances	66,887	(10,391)
Tax losses	-	455,956
Other timing differences	-	445,923
	<u>66,887</u>	<u>891,488</u>
Movements in the year:		2023 £
Asset at 1 May 2022		(891,488)
Charge to profit or loss		824,601
Asset at 30 April 2023		<u>(66,887)</u>

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

18 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	752,658	544,774

19 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	400	400	400	400

20 Financial commitments, guarantees and contingent liabilities

During the year, the group received a claim from a customer arising from an alleged breach of contract. The case had not been resolved when these financial statements were approved by the Board. The directors are of the opinion that the group has an adequate defence and are disputing the claim. Any amount due could not be reasonably estimated at the year end. Accordingly, no provision for any liability from such a claim has been made in the financial statements.

The company and connected companies (through common ownership) are party to a banking arrangement with Coutts & Co, whereby an unlimited cross guarantee is given for all liabilities to the bank of any kind whether incurred alone or jointly with another. At the year end, the overall liability of the company and connected companies to the bank was £nil (2022: £nil).

At the year end, the company, its parent company and connected companies (through common ownership) were party to the charge for an invoice discounting facility with RBS Invoice Finance Limited, whereby an unlimited multi-party guarantee was given for all liabilities to RBS Invoice Finance Limited. The use of the facility ceased during the year and the related charge ended on 17 August 2023.

21 Operating lease commitments

Lessee

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

	2023 £	2022 £
Within one year	977,054	957,723
Between two and five years	146,957	1,072,591
	<u>1,124,011</u>	<u>2,030,314</u>

22 Related party transactions

The company has taken advantage of the exemption within section 33.10 of FRS 102 to not disclose transactions with wholly owned group companies.

Methods Business and Digital Technology Limited

Notes to the Financial Statements (Continued)

For the year ended 30 April 2023

23 Ultimate controlling party

Methods Holdings Limited is the company's immediate parent company. The ultimate parent company is Alten S.A., a company incorporated in France, the address of Alten S.A. is 40 Avenue Andre Morizet, 92100, Boulogne Billancourt, France.

Methods Holdings Limited is the parent undertaking smallest group for which group financial statements are drawn up, and of which the company is a member. The registered office address of Methods Holdings Limited, from which group financial statements are publicly available, is Saffron House, 6-10 Kirby Street, London, EC1N 8TS.

24 Analysis of changes in net funds

	1 May 2022 £	Cash flows £	30 April 2023 £
Cash at bank and in hand	10,236,994	(9,667,059)	569,935

25 Cash generated from/(absorbed by) operations

	2023 £	2022 £
Profit for the year after tax	5,338,387	1,517,628
Adjustments for:		
Taxation charged/(credited)	1,407,906	(1,095,709)
Finance costs	-	5
Investment income	(132,653)	(9,817)
Depreciation and impairment of tangible fixed assets	175,562	178,237
Charge for share based payments	-	474,940
Movements in working capital:		
Increase in debtors	(2,391,226)	(2,551,210)
Increase in creditors	190,069	534,367
Cash generated from/(absorbed by) operations	4,588,045	(951,559)

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