Company Registration No. 05177472

ANALYSYS MASON LIMITED

Annual Report and Financial Statements

For the year ended 29 February 2020

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020
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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J P Montanana (Chairman)
A C Moerman
F M Glennon
C A Stanford-Beale
S P Morris
T J Rudkin
J M Ruud
J A Obradors Samarra
P J McMenemy (appointed 14 April 2020)

COMPANY SECRETARY

T J Rudkin

REGISTERED OFFICE

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Aldwych
London
WC2B 4PJ

BANKERS

HSBC plc
60 Fenchurch Street
London
EC3M 4BA

AUDITOR

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF
United Kingdom

STRATEGIC REPORT

The directors in preparing this Strategic Report have complied with s414C of the Companies Act 2006.

This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Analysys Mason Limited and its subsidiary undertakings when viewed as a whole.

CHIEF EXECUTIVE'S STATEMENT

Analysys Mason is a global consultancy and research firm specialising in telecoms, media and technology for more than 30 years. Our consulting and research divisions continue to be at the forefront of developments in digital services and transformation and are advising clients on new business strategies to address disruptive technologies.

Our experts located in offices around the world provide local perspective on global issues. With 264 staff in 15 offices worldwide, we are respected internationally for our exceptional quality of work, independence and flexibility in responding to client needs.

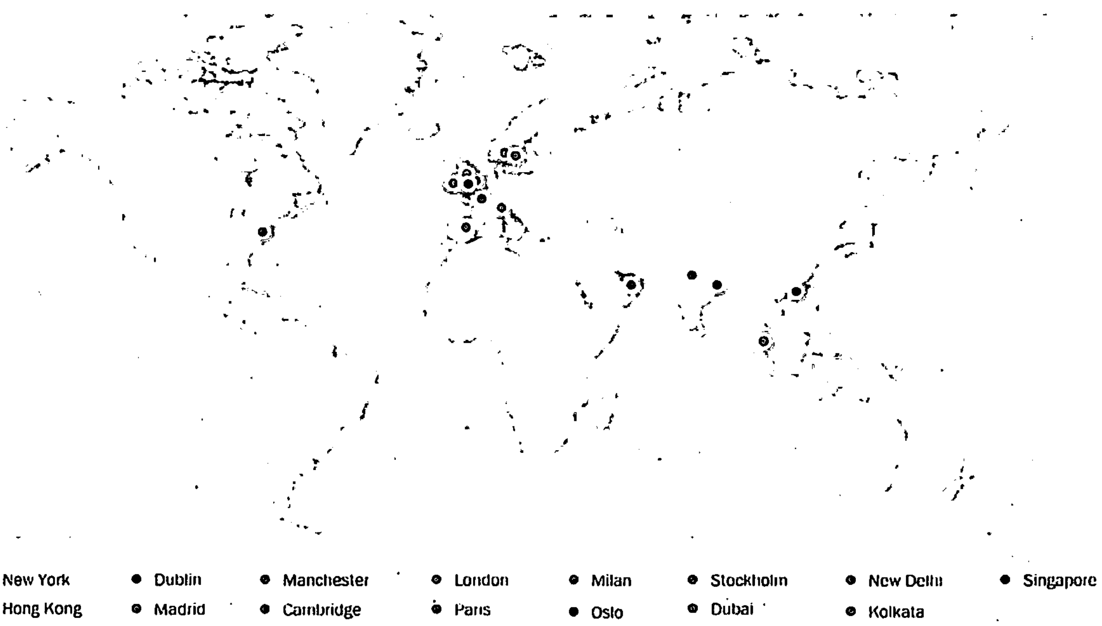

Figure 1: Analysys Mason's global presence enables us to deliver sustainable business benefits to clients around the world

Analysys Mason provides value to its clients by solving some of their toughest problems. Headquartered in London, UK, with offices in Cambridge, Dubai, Dublin, Hong Kong, Madrid, Manchester, Milan, New Delhi, Oslo, Paris, Singapore, Stockholm, New York and Kolkata.

THE YEAR IN REVIEW

Analysys Mason reported an increase in revenues to £46.2million (2019: £34.7million) with non-UK revenues contributing 83% (2019: 83%). The gross margin increased to 40% (2019: 36%). The business has generated EBITDA before management fees of £7.4million[1] (2019: £2.3million [2]) at a margin of 16.1% (2019: 6.5%) and a profit before tax of £4.3 million (2019: £1.3 million). These are the main key performance indicators for the Group and the strong performance during the year is due to an increase in revenue across all geographical markets in note 3.

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[1] Operating profit of £4,537,060 per the statement of comprehensive income + depreciation charge of £1,903,308 + amortisation charge of £780,420 + management fees of £202,905; therefore EBITDA before management fees = £7,423,693. Depreciation charge includes £1,562,514 of right of use asset depreciation.

[2] Operating profit of £1,262,300 per the statement of comprehensive income + depreciation charge of £387,073 + amortisation charge of £421,625 + management fees of £179,327; therefore EBITDA before management fees = £2,250,325.

STRATEGIC REPORT

Analysys Mason continues to enjoy a good level of repeat business with diversified revenues, maintaining a strong position in its market.

ACQUISITION

On 1 March 2019 Analysys Mason Limited acquired 100% of the share capital of Stelacon Holdings AB, a consulting company based in Stockholm and Malmo/Lund, Sweden. Stelacon Holdings AB, is a respected consulting company with more than 30 years of experience. Its expertise includes smart cities, regional development, digital services, policy & regulation and telecoms & digital communications.

The acquisition represented a significant further step in building a pan-Scandinavian presence, following the successful expansion in Norway in 2017.

MARKETS

Analysys Mason experienced strong demand for consulting services during 2020. In particular performance in Europe and the Middle East was significantly up year on year.

Proposition wise demand for Strategic Advice services and Transaction Support saw a good recovery from a temporary slow down in the second half of last year. However demand for Regulatory services was more subdued.

Analysys Mason's research division continued to experience growth in Asia and emerging markets, and a continued stabilisation of demand in Europe and the US.

STRATEGY

Analysys Mason's approach is based on a unique combination of applied intelligence, independent opinions, a passion for problem-solving and consistently looking more closely and seeing further. This approach engenders strong long-term relationships with clients.

The key priority is to grow revenues whilst continuing to improve profitability without diluting the significant value propositions delivered by the business' exceptional talent. The overall strategy continues to be summarised as follows:

- Focus on core strengths, deepening expertise where already strong;
- Broaden the geographical footprint of core propositions;
- Extend core propositions carefully and incrementally to strengthen key client relationships;
- Increase the proportion of recurring revenue streams;
- Recruit, develop and retain talented staff;
- Foster real time operational visibility, cost vigilance and management agility;
- Balance individual performance management and accountability with a collaborative spirit;
- Increase the flexibility in staffing and staff remuneration models; and
- Uphold a high standard of business ethics.

PEOPLE

Analysys Mason's strongest asset is the expertise, experience, commitment and problem solving skills of its employees. Analysys Mason employs an impressive range of passionate, innovative and talented people from across the telecoms, media and IT industries.

FUTURE PROSPECTS

On 1 April 2020 Analysys Mason Limited acquired 100% of the share capital of Allolio&Konrad Consulting GmbH, a consulting company headquartered in Bonn, Germany. Allolio&Konrad has an extensive track record in the telecommunications industry, and its key services include the design, management and assurance of major business support systems (BSS) and operational support systems (OSS) transformation programmes and large-scale, multi-year IT strategy initiatives, alongside other solutions focussed on performance and operations management.

STRATEGIC REPORT

COVID-19

On 11 March 2020 the World Health Organization declared the coronavirus outbreak causing the disease COVID-19 to be a global pandemic. This was followed by most countries in which the Group operates instituting "lockdown" restrictions to slow the spread of the disease. The Group responded by ensuring the safety and wellbeing of its employees and enabling working from home to maintain social distancing. Travel and face-to face meetings were quickly reduced and eliminated completely in accordance with prevailing regulations. The effect on the Group's business at the date of this report has been considered in detail by the Board in approving the annual financial statements for FY20. Further information on the impact of COVID-19 has been disclosed in going concern on page 18.

PRINCIPAL ACTIVITIES

The principal activities of the Group and Company comprise delivery of strategy advice, operations support and market intelligence worldwide to leading commercial and public sector organisations in telecoms, IT and media.

The subsidiary undertakings that principally affect the profits or net assets of the Group in the year are listed in note 16 to the consolidated financial statements.

BUSINESS REVIEW

The directors believe the Group's future prospects to be satisfactory. The Chief Executive's statement also includes details of expected future developments in the business of the Group. Net assets of the Group are shown in the consolidated statement of financial position on page 17 and have increased from £23.6m to £27.5m during the year. The movement is reconciled in the consolidated statement of changes in equity on page 15. The most significant movement was the retained profit for the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the principal risks and uncertainties to be retaining the best people, maintaining the Group's leadership in the markets it serves, credit risk, liquidity risk and market risk.

The Group operates a number of share-based payment plans to attract and retain the best people. These are detailed in note 24 to the consolidated financial statements. Financial risks and management's approach to managing these risks are detailed in note 33 to the consolidated financial statements.

On 23 June 2016, the UK held a referendum on the UK's continuing membership of the EU, the outcome of which was a decision for the UK to leave the EU (Brexit). Following Royal Assent of the EU (withdrawal agreement) Act on 23 January 2020 and ratification of the Withdrawal Agreement by the European Parliament on 24 January 2020, the UK left the EU on 31 January 2020 and became a third country with a transition period running to 31 December 2020. The progress of current negotiations between the UK and EU is on-going and the outcome of those negotiations will likely determine the future of the UK's relationship with the EU following the end of the transition period. Until these negotiation and parliamentary ratification processes are completed, it is difficult to anticipate the potential impact on Analysys Mason Limited.

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

The directors look to maintain the Group's reputation for high standards of business conduct. All employees receive annual training on the Code of Conduct and the Group promotes its values of excellence, partnership, innovation, integrity and empowerment all the time.

Suppliers and Customers

The Group sets policies for how supplier and customer relationships should be managed including policies on anti-bribery and corruption, anti-money laundering, the UK Modern Slavery Act and the UK Criminal Finances Act. Training on the Group Code of Conduct and anti-bribery and corruption training was delivered during the year to all employees.

The Group monitors customer satisfaction by performing regular customer engagement reviews and adheres to a formal Quality Management System to ensure customers needs are met. The Group agrees payment terms with its suppliers when it enters into binding purchase contracts. The Group seeks to treat all its suppliers fairly and seeks to

STRATEGIC REPORT

abide by the payment terms agreed with each supplier whenever it is satisfied that the supplier has provided the services in accordance with the agreed terms and conditions.

Employees

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. This is achieved through formal and informal meetings, the Group intranet and electronic communications.

Analysys Mason is as committed to delivering excellent services to clients as it is to providing excellence as an employer; ensuring an environment where learning is encouraged, career development is structured and on merit, and working practices are fair and flexible for all. Employees choose Analysys Mason for the opportunities to learn and progress, in a highly multicultural, professional and collaborative environment. They build expertise and gain client recognition globally, supported by their colleagues and management through the development in their professional and personal lives. Analysys Mason provide an environment where learning is encouraged, career development and working practices are fair and flexible for all (underpinned by a comprehensive suite of policies including a "code of conduct" all employees sign up to).

In addition to exposure to industry defining clients and projects, development is supported by training programmes from day one (whether joining as an apprentice, on our graduate scheme or as an experienced hire) and continuing through to senior levels. Learning is further encouraged through access to external portals and opportunities to apply for sponsorship of relevant industry qualifications.

The business relies on regular and consistent communication. Individual performance feedback is shared on an ongoing basis, and supplemented by a biannual appraisal process. Business performance and cross-company initiatives are communicated and discussed at regular all-company briefings and team offsites, supplemented by internal social media and messaging channels. Analysys Mason undertakes an annual employee survey which consistently reflects high levels of employee satisfaction and engagement.

Analysys Mason is committed to giving full and fair consideration to applicants for employment, regardless of their race, nationality, sex, marital status, sexual orientation, religious belief, disability or age. The Group actively encourages a diverse range of applicants and commits to fair treatment of all applicants. 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 with that of other employees.

Details on employee numbers are included within note 6 to the consolidated financial statements.

Shareholders

All Shareholders are represented on the Board. The Board meets throughout the year and receives reports on changes in the Company's share register. Each year the CEO and CFO of the Group present to the Shareholders on the Group's performance over the prior year, future strategy, the budget and other shareholder matters.

HEALTH AND SAFETY

Analysys Mason takes seriously the health and safety of all its employees, clients, visitors, contractors and members of the public. The Company recognises and acknowledges that everyone has a vital role to play in the management and implementation of health and safety at work and that we therefore share responsibility for achieving and adhering to acceptable safety standards.

All major risk assessments have been completed on the organisation's activities and are monitored and reviewed on an annual basis, or sooner if the working environment or processes and procedures are affected by any changes. The Company has a Facilities/Health and Safety Manager who manages the health and safety activities; the Company also uses the services of external consultants who provide health and safety advice.

With regard to accident and incident rates, no dangerous occurrences have been reported, and only a small number of minor incidents were reported in the Accident Books. There have been no incidents reported under RIDDOR (the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995).

ENVIRONMENT

Analysys Mason recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce damage that might be caused by the Company's activities. Key environmental aspects have been identified, and actions to address them are discussed at regular management

STRATEGIC REPORT

reviews. Initiatives designed to minimise the Company's impact on the environment include recycling, reducing energy consumption and, where feasible, procuring materials from sustainable sources.

Analysys Mason has an Environmental Policy to which senior management are committed. Policies and procedures are published on the Company intranet, and are intended to comply with Environment Management Standard ISO14001.

The Company is aware of the need to control our energy consumption and carbon emissions in order to minimise climate change. Staff are encouraged to follow our low-carbon travel policy, and avoid travel by air wherever practicable. The Company also encourages staff to hold meetings by telephone or via the internet, and staff regularly use teleconferencing and online document sharing.

QUALITY

Within its Integrated Management System, the Company adheres to a formal Quality Management System (QMS). The QMS provides policies, procedures and guidelines that permit conformance with specific requirements and ensure that quality is planned, obtained and maintained; thus ensuring that the Company provides a service which fulfils client's needs and enhances their expectations. Within the UK and Ireland the QMS is certified to ISO9001:2015 by the British Standards Institution (BSI).

It is mandatory that all personnel carry out their activities in accordance with the QMS. Controlled copies of the policies and the procedures are available to all the staff via the Analysys Mason Sharepoint. The Quality Assurance Manager audits all the offices, systems and activities within Analysys Mason in accordance with an integrated audit schedule. Our quality assurance processes contain the relevant systems for performance monitoring and management information.

INFORMATION SECURITY

The Company's business relies on knowledge and information in order to provide the kind of service our clients require, and it is most important that this information is protected. The Company manages its handling of client and personal data by implementing a formal Information Security Management System (ISMS), which is certified to ISO27001:2013 by the BSI for the Company's office in Manchester; the requirements of the ISMS apply to all the Company's locations. The ISMS uses procedures and controls that cover physical and electronic security and encompasses all forms of information security, such as electronic data, information transmitted across networks, printed or written on paper, stored on electronic or removable media, or spoken in conversation or over the telephone.

Within the ISMS the Company also has a business continuity plan (BCP), and to support this the Company's Crisis Management Team holds regular meetings to ensure that the Company is prepared for incidents at any of its locations, and that staff are made aware of actions to take and who to contact if an incident arises. An up-to-date version of the BCP is automatically loaded on to all staff laptops, so that they will always have a copy to hand should the need arise.

STRATEGIC REPORT

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires directors to promote the success of the Company for the benefit of the members as a whole and in doing so have regard to the interests of stakeholders including customers, shareholders, employees, suppliers, and the wider community in which it operates. The Board is focused on its responsibilities under s.172, and the impact of the business on key stakeholder groups in its decision making. The following table identifies where information on factors the Board believe demonstrate its compliance with section 172(1)(a)-(f) are contained in this report.

		More information	Page
a)	The likely consequences of any decisions in the long-term	**Strategic report** - Strategy	 p. 3
b)	The interests of the company's employees	**Strategic report** - Employees - Quality & information security	 p. 5 p. 6
c)	The need to foster the company's business relationships with suppliers, customers and others	**Strategic report** - Stakeholder relationships and engagement	 p. 4-5
d)	The impact of the company's operations on the community and environment	**Strategic report** - Environment	 p. 5
e)	The desirability of the company maintaining a reputation for high standards of business conduct	**Strategic report** - Strategy	 p. 3
f)	The need to act fairly as between members of the company	**Strategic report** - Stakeholder relationships and engagement	 p. 4-5

The Board's approach

The Board meets quarterly to review financial operational matters, business performance, growth and expansion plans, risk and compliance matters, discuss market conditions and review customer feedback. Other areas reviewed over the course of the year include the Group's business plan, shareholder-related matters, employee engagement and remuneration schemes.

The Group's key stakeholders are its customers, shareholders, employees, suppliers, and the wider community in which it operates. The views of and the impact of the Group's activities on those stakeholders are an important consideration for the directors when making relevant decisions. During the period we received information to help us understand the interests and views of the Group's key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on our financial and operational performance, non-financial KPIs, risk, and the outcomes of specific pieces of engagement (for example, the results of customer and employee surveys). As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders' concerns and to comply with our section 172 duty to promote success of the company.

STRATEGIC REPORT

Some of the key decisions made by the Board during the year include:

- The approval of the acquisition of Stelacon Holdings AB. As described in the CEO's statement, in March the Board finalised the acquisition of Stelacon. The acquisition supports the Group's strategy to strengthens its position in the Scandinavian region and add valuable skills and expertise to the Group's workforce to better serve its multinational clients.
- The approval of the annual budget and three year plan This year's budget and rolling three year plan were approved by the Board following a comprehensive review. Consideration was given to the long term market for the Group's services and customer demand for the services of the new Group investments. The Board carefully reviewed the remuneration and benefit packages to ensure employees were fairly rewarded. The Board took the opportunity to review and reconfirm the values of the Group, including a commitment to investing in its people through training, and to innovation through investment in the Group's website and ERP.
- The approval of schemes to increase management shareholding of the Company. The Board reviewed and approved proposals incentivising senior employees in the Group to increase their shareholding of the Company.

Approved by the Board of Directors
and signed on behalf of the Board by:

A C Moerman
Director
09 October 2020

DIRECTORS REPORT

The directors present their Annual Report on the affairs of the Group, together with the audited financial statements, for the year ended 29 February 2020.

SUBSEQUENT EVENTS

On 1 April 2020 Analysys Mason acquired 100% of the shares in Allolio&Konrad, a consultancy based in Bonn, Germany, for €7 million cash.

Details of the acquisition can be found in note 37, along with information on how Covid-19 has impacted the group post year end.

BUSINESS OVERVIEW

An indication of likely future developments in the business of the Group are included in the Strategic Report.

The principal risks and uncertainties of the Group are presented in the Strategic Report. Financial risks and management's approach to managing these risks with financial instruments are detailed in note 33 to the consolidated financial statements.

GOING CONCERN

After making enquiries, and based on the assumptions outlined in note 1 to the financial statements, the directors have concluded that the Company has adequate resources to continue in operational existence for a minimum of 12 months from the date of signing the audit report.

The Company is continuing to monitor developments of the COVID-19 virus, assessing the potential future operational and financial impact and is seeking to take mitigating actions, as required.

For these reason, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. Further information on what has been considered by the directors in the Going Concern assessment can be found on page 18.

DIVIDENDS

The directors recommend a final dividend of £nil (2019: £nil). An interim dividend of £nil was paid in 2020 (2019: an interim dividend of £346,336 was paid at 16p per share).

DIRECTORS

Current directors, all of which served during the year and to the date of the signing the audit report, are set out on page 1.

CHARITABLE GIFTS

During the year the Group made charitable donations of £1,689 (2019: £718).

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

The directors have considered the business relationships important to the Group and discussed them in the Strategic report.

AUDITOR

Each of the persons who are directors at the date of approval of this Annual Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

DIRECTORS REPORT

Following its 2019 Annual General Meeting, Datatec Limited, the ultimate parent company, undertook a process to identify a new external audit firm for the year ending 28 February 2021. After meeting in January 2020, the Datatec Audit Risk & Compliance Committee recommended that PricewaterhouseCoopers ("PwC"), be appointed as the new external auditors for the Datatec Group and its subsidiaries.

Approved by the Board of Directors
and signed on behalf of the Board by:

A C Moerman, Director
09 October 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

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 (IFRSs) as adopted by the European Union. 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 Company and of the profit or loss of the Group for that period. In preparing the Company and Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANALYSYS MASON LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Analysys Mason Limited (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the group's and of the parent company's affairs as at 29 February 2020 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Analysys Mason Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company statement of financial position;
- the consolidated cash flow statements; and
- the related notes 1 to 51.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework"

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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANALYSYS MASON LIMITED (continued)

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

Report on other legal and regulatory requirements
Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

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

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

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.

E. Benson

Elizabeth Benson BSc ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Manchester,
United Kingdom
09 October 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 29 February 2020

	Note	2020 £	2019 £
REVENUE	2,3	46,216,442	34,740,684
Cost of sales		(27,549,910)	(22,268,402)
GROSS PROFIT		18,666,532	12,472,282
Administrative expenses		(14,487,521)	(11,646,376)
Other income	2	358,049	436,394
OPERATING PROFIT		4,537,060	1,262,300
Investment revenue	7	27,649	56,674
Finance costs	8	(295,438)	(58,192)
PROFIT BEFORE TAX	4	4,269,271	1,260,782
Tax	9	(1,245,549)	(586,615)
PROFIT FOR THE YEAR	29	3,023,722	674,167
Attributable to:			
Equity holders of the parent		3,023,722	674,167

The accompanying notes form an integral part of this consolidated statement of comprehensive income.

All activities arose from continuing operations.

There is no other comprehensive income.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 29 February 2020

	Share Capital (Note 26) £	Share Premium Account (Note 27) £	Own Shares (Note 28) £	Retained Earnings (Note 29) £	Total Equity £
Balance at 1 March 2018	25,528	18,491,375	(1,577,212)	6,231,406	23,171,097
Profit for the year	-	-	-	674,167	674,167
Total comprehensive income for the year	-	-	-	674,167	674,167
Prior year adjustment in relation to change in accounting policy (IFRS15)				(128,648)	(128,648)
Own shares acquired in the year	-	-	(48,586)	-	(48,586)
Own shares disposed in the year	-	-	79,460	-	79,460
Own shares transacted at a discount	-	-	(58,746)	58,746	-
Credit to equity for equity-settled share-based payments	-	-	180,555	31,574	212,129
Dividends paid during the year	-	-	-	(346,336)	(346,336)
Other currency translation differences				1,313	1,313
Balance at 28 February 2019	25,528	18,491,375	(1,424,529)	6,522,222	23,614,596
Profit for the year	-	-	-	3,023,722	3,023,722
Total comprehensive income for the year	-	-	-	3,023,722	3,023,722
Own shares acquired in the year	-	-	(182,736)	-	(182,736)
Own shares disposed in the year	-	-	179,225	-	179,225
Own shares transacted at a discount	-	-	662,954	(662,954)	-
Share distributed on acquisition	-	-	571,809	-	571,809
Credit to equity for equity-settled share-based payments	-	-	153,741	118,839	272,580
Balance at 29 February 2020	25,528	18,491,375	(39,536)	9,001,829	27,479,196

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 29 February 2020

	Share Capital (Note 26) £	Share Premium Account (Note 27) £	Own Shares (Note 28) £	Retained Earnings (Note 51) £	Total Equity £
Balance at 1 March 2018	25,528	18,491,375	(1,577,212)	10,829,048	27,768,739
Profit for the year	-	-	-	755,526	755,526
Total comprehensive income for the year	-	-	-	755,526	755,526
Prior year adjustment in relation to change in accounting policy (IFRS15)	-	-	-	(128,648)	(128,648)
Own shares acquired in the year	-	-	(48,586)	-	(48,586)
Own shares disposed in the year	-	-	79,460	-	79,460
Own shares transacted at a discount	-	-	(58,746)	58,746	-
Credit to equity for equity-settled share-based payments	-	-	180,555	31,574	212,129
Dividends paid during the year	-	-	-	(346,336)	(346,336)
Balance at 28 February 2019	25,528	18,491,375	(1,424,529)	11,199,910	28,292,284
Profit for the year	-	-	-	1,529,100	1,529,100
Total comprehensive income for the year	-	-	-	1,529,100	1,529,100
Own shares acquired in the year	-	-	(182,736)	-	(182,736)
Own shares disposed in the year	-	-	179,225	-	179,225
Own shares transacted at a discount	-	-	662,954	(662,954)	-
Share distributed on acquisition	-	-	571,809	-	571,809
Credit to equity for equity-settled share-based payments	-	-	153,741	118,839	272,580
Balance at 29 February 2020	25,528	18,491,375	(39,536)	12,184,895	30,662,262

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 29 February 2020

	Note	2020	2019
		£	£
NON-CURRENT ASSETS			
Goodwill	10	18,048,675	16,781,220
Investments	15	1,318,469	67,869
Property, plant and equipment	12	870,697	683,964
Right of use assets	13	6,567,553	-
Intangible assets	14	1,420,733	1,104,628
Long-term loans to related parties	11	18,337	618,623
Deferred tax assets	25	1,088,583	680,550
		29,333,047	19,936,854
CURRENT ASSETS			
Contract assets	17	5,543,276	2,972,415
Trade and other receivables	18	11,462,732	10,351,426
Current tax asset		77,892	95,528
Cash and cash equivalents	18	4,866,491	4,037,421
		21,950,391	17,456,790
TOTAL ASSETS		51,283,438	37,393,644
CURRENT LIABILITIES			
Trade and other payables	19	(8,955,774)	(7,748,036)
Lease liabilities	21	(1,387,790)	-
Deferred consideration	20	(959,558)	(153,307)
Contract liabilities	22	(3,273,069)	(2,612,282)
Borrowings	23	(94,971)	(40,442)
Current tax liability		(1,138,212)	(524,064)
Loan from related party	23	(561,856)	(475,799)
		(16,371,230)	(11,553,930)
NET CURRENT ASSETS		5,579,161	5,902,860
NON-CURRENT LIABILITIES			
Borrowings	23	(91,908)	-
Lease liabilities	21	(5,112,217)	-
Liabilities for share-based payments	24	(1,388,019)	(891,318)
Deferred tax liabilities	25	(275,289)	(223,053)
Loan from related party	23	(565,579)	(1,110,747)
		(7,433,012)	(2,225,118)
TOTAL LIABILITIES		(23,804,242)	(13,779,048)
NET ASSETS		27,479,196	23,614,596
EQUITY			
Share capital	26	25,528	25,528
Share premium account	27	18,491,375	18,491,375
Own shares	28	(39,536)	(1,424,529)
Retained earnings	29	9,001,829	6,522,222
TOTAL EQUITY		27,479,196	23,614,596

The financial statements of Analysys Mason Limited, registered number 05177472, were approved by the Board of Directors and authorised for issue on 09 October 2020.

Signed on behalf of the Board of Directors

A C Moerman, Director

The accompanying notes form an integral part of the consolidated balance sheet

COMPANY STATEMENT OF FINANCIAL POSITION
For the year ended 29 February 2020

	Note	2020	2019
		£	£
NON-CURRENT ASSETS			
Goodwill	43	12,707,561	12,707,560
Property, plant and equipment		482,577	518,719
Right of use assets	44	4,397,949	-
Intangible assets		156,214	104,869
Long-term loans to related parties		18,337	618,623
Investments in subsidiaries	45	17,948,325	14,108,491
Deferred tax assets	46	504,415	453,985
		36,215,378	28,512,247
CURRENT ASSETS			
Contract assets	47	3,538,597	1,659,040
Trade and other receivables	48	6,509,462	6,676,575
Loans to other Group entities	48	2,166,969	2,006,797
Cash and cash equivalents	48	3,017,157	784,403
		15,232,185	11,126,815
TOTAL ASSETS		51,447,563	39,639,062
CURRENT LIABILITIES			
Trade and other payables	49	(4,146,156)	(4,241,562)
Lease liabilities		(693,001)	-
Deferred consideration	49	(959,558)	(153,307)
Contract liabilities	50	(2,883,389)	(2,262,246)
Loans from other Group entities	49	(5,304,411)	(2,003,391)
Current tax liability		(537,554)	(167,951)
Loan from Group entity		(561,856)	(475,799)
		(15,085,925)	(9,344,713)
NET CURRENT ASSETS		146,260	1,782,102
NON-CURRENT LIABILITIES			
Lease liabilities		(3,745,778)	-
Liabilities for share-based payments		(1,388,019)	(891,318)
Loan from Group entity		(565,579)	(1,110,747)
		(5,699,376)	(2,002,065)
TOTAL LIABILITIES		(20,785,301)	(11,346,778)
NET ASSETS		30,662,262	28,292,284
EQUITY			
Share capital	26	25,528	25,528
Share premium account	27	18,491,375	18,491,375
Own shares	28	(39,536)	(1,424,529)
Retained earnings	51	10,651,660	10,444,384
Profit for the year	41	1,533,235	755,526
TOTAL EQUITY		30,662,262	28,292,284

These financial statements of Analysys Mason Limited, registered number 05177472, were approved by the Board of Directors and authorised for issue on 09 October 2020. As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own statement of comprehensive income for the year.

Signed on behalf of the Board of Directors

A C Moerman, Director

The accompanying notes form an integral part of this Company balance sheet.

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 29 February 2020

	Note	2020 £	2019 £
Net cash from operating activities	30	4,639,894	193,250
Investing activities			
Interest received		37,097	56,674
Long-term related party loan	11	600,000	500,000
Purchases of property and equipment	12	(570,488)	(241,264)
Purchase of intangible assets	14	(112,631)	(65,472)
Net cash on acquisition of subsidiary	35	(346,662)	(1,505,338)
Net cash on investments	15	(1,250,900)	-
Loans issued		-	(18,623)
Net cash used in investing activities		(1,643,584)	(1,274,023)
Financing activities			
Repayment of borrowings		(35,412)	-
Repayment of lease obligation		(1,554,127)	(80,635)
Interest paid of lease liabilities		(220,565)	-
Loan from Group entity		-	2,639,553
Repayment of loan from Group entity		(507,366)	(1,148,691)
Dividends paid		-	(346,336)
Net cash flow on purchase of own shares	28	150,230	30,874
Net cash used in financing activities		(2,167,240)	1,094,765
Net increase in cash and cash equivalents		829,070	13,992
Cash and cash equivalents at beginning of the year		4,037,421	4,023,429
Cash and cash equivalents at end of year		4,866,491	4,037,421

The accompanying notes form an integral part of this consolidated cash flow statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 29 February 2020

1. ACCOUNTING POLICIES

GENERAL INFORMATION

Analysys Mason Limited is a private company limited by shares domiciled and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Chief Executive's statement on pages 2 to 7. These financial statements are presented in Pounds Sterling because that is the functional currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out below in note 1.6.

For the year ending 29 February 2020 the following subsidiaries of the Company were entitled to exemption from audit under s394A of the Companies Act 2006 relating to subsidiary companies

Subsidiary Name	*Registration Number*
OSS Observer LLC	0097744-6

The accounting policies detailed below apply to the Group and financial statements.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union. These are those standards, subsequent amendments and related interpretations issued and adopted by the International Accounting Standards Board ('IASB') that have been endorsed by the European Union at the year end. They also comply with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis, except where the individual accounting policies state otherwise. The principal accounting policies adopted are set out below. These policies have been consistently applied to both years presented unless otherwise stated.

The financial statements are prepared under the historical cost convention as modified by financial instruments recognised at fair value.

GOING CONCERN

The performance, financial position and the key risks impacting the Group are set out in the Strategic Report and the Chief Executive's statement. The financial risks are set out in note 33 to the financial statements. At 29 February 2020 the Group had available a £1.5m overdraft with HSBC Bank plc ("HSBC"), although the overdraft is unutilised as at 29 February 2020. The facility has been extended to £3.0m subsequent to year end. The HSBC overdraft is repayable on demand and due for annual review on July 2021 Management expect this facility to be renewed and this is supported by the strong relationship between the Company, the parent and HSBC. There are no covenants attached to the HSBC facility. Analysys Mason Limited and its subsidiaries (together "the subgroup") manage their financing and cash requirements on a pooled basis, allocating it between subsidiaries to meet short and medium term requirements. The Company and its trading subsidiaries act as guarantor to the HSBC facilities outlined above.

On 11 March 2020 the World Health Organization ("WHO") declared the coronavirus outbreak causing the disease COVID-19 to be a global pandemic. The directors have reviewed the future profit and cash flow projections in conjunction with the current economic climate as well banking facilities in place to support all the operations, in order to express an opinion on the adequacy of working capital and the ability to continue as a going concern for the foreseeable future. These projections covered future financial performance, solvency and liquidity for a period of 12 months from the date of approval of these financial statements, including performing sensitivity analyses and stress testing of various possible scenarios, varying in severity, related to COVID-19. These scenarios included contingency planning for restructuring actions to be taken in response to the more severe scenarios. It is, however, difficult to predict the overall outcome and impact of COVID-19.

The Group's projections and sensitivity analyses show that the Group has sufficient capital and liquidity to continue to meet its short-term obligations as a result it is appropriate to prepare these annual financial statements on a going concern basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

ADOPTION OF NEW AND REVISED STANDARDS

The Group and Company adopted the following amendments to accounting standards. The adoption of these amendments did not have a material impact on the Group and Company annual financial statements.

Applicable standard	Key requirements or changes in accounting policy	Implementation progress and expected impact
IFRS 16 Leases Effective date 1 January 2019	The new standard addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. The principal impact of IFRS 16 has been a change to the accounting treatment by lessees of leases previously classified as operating leases. Lease agreements gave rise to the recognition by the lessee of an asset, representing the right to use the leased item, and a related liability for future lease payments. Lease costs are recognised in profit and loss in the form of depreciation of the right-of-use asset over the lease term, and finance charges representing the unwind of the discount on the lease liability. Certain exemptions from recognising leases on the balance sheet are available for leases with terms of 12 months or less or where the underlying asset is of low value.	During the year, the Group implemented IFRS 16 using the modified retrospective approach, under which the cumulative effect of the initial application is recognised in retained earnings as at 1 March 2019. Accordingly, comparative information presented for FY19 has not been restated. The most significant impact on the Group applying IFRS 16, based on contractual arrangements in place at 28 February 2019, has been the recognition of lease liabilities of £7.2 million, along with right-of-use assets with a similar aggregate value. This liability corresponds to the minimum lease payments under operating leases adjusted for the effects of discounting. Lease liabilities principally relate to property where the Group is a lessee under an operating lease arrangement. The impact of the standard on underlying earnings and profit before tax following the adoption is not considered to be material although the statement of comprehensive income presentation of the previous operating lease expense is now allocated between the depreciation of the right-of-use assets, and a finance charge representing the unwinding of the discount on the leases. In applying IFRS 16 for the first time, the Group has used certain practical expedients permitted by the standard in the application of the initial accounting. Refer to Note 36 for further detail on the application of IFRS 16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

ADOPTION OF AMENDMENTS TO EXISTING STANDARDS AND INTERPRETATIONS

- Annual Improvements to IFRS Standards 2015 – 2017 Cycle Amendments to IFRS 3 *Business Combinations* effective 1 January 2019, IFRS 10 *Consolidated Financial Statements* and IAS 28 (amendments) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* effective 1 January 2019;
- IFRIC 23 *Uncertainty over Income Tax Treatments* effective 1 January 2019;
- Amendments to IAS 19 *Employee Benefits Plan Amendment, Curtailment or Settlement* effective 1 January 2019
- Amendments to IAS 28 *Long-term interests in Associates and Joint Ventures* effective 1 January 2019; and
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation* effective 1 January 2019.

The application of the amendments to the existing standards and the interpretation had no material impact on the disclosures or amounts recognised in the Group's consolidated financial statements.

NEW OR REVISED ACCOUNTING STANDARDS AND AMENDMENTS TO EXISTING STANDARDS NOT YET EFFECTIVE

- At the date of authorisation of these annual financial statements, the following new or revised accounting standards and amendments to existing standards applicable to the Group were in issue but not yet effective:
- IFRS 10 and IAS 28 *Sale or contribution of Assets between an Investor and its Associate or Joint Venture*;
- Amendments to IFRS 3 *Definition of a business*;
- Amendments to IAS 1 and IAS 8 *Definition of material*; and
- Conceptual *Framework Amendments to References to the Conceptual Framework in IFRS Standards.*
- Amendment to IFRS 16 effective 1 June 2020

The Group does not currently believe that the adoption of these amendments will have a material impact on the consolidated results or financial position of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to the end of February each year. Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable return from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses 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 listed above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in non-controlling interests having a deficit balance.

The operating results of Group entities are included from the effective date of acquisition to the effective date of disposal. All significant inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in the statement of comprehensive income is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs).

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

1.2. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions of recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of consideration transferred over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the consideration transferred, the excess is recognised immediately in profit and loss. Costs associated with the acquisition are expensed, and may include such costs as advisory, legal, accounting, valuation and other professional costs associated with the transaction.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Contingent consideration is measured at fair value at the acquisition date and included as part of the consideration transferred in a business combination. Subsequent adjustments to the consideration are recognised

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

1.2 Business combinations (continued)

against the cost of the acquisition, with corresponding adjustments against goodwill, only to the extent that they arise from new information obtained within the measurement period (which is not more than 12 months from the acquisition date) about facts and circumstances that existed at the acquisition date. All other subsequent adjustments that do not qualify as measurement period adjustments, classified as assets or liabilities, are measured at fair value are recognised in profit or loss.

A non-controlling interest in the acquiree is initially measured at the proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (refer above) or additional assets or liabilities are recognised to reflect new information obtained about the facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations achieved in stages

Changes in the Group's ownership interests in subsidiaries that do not result in variations in the Group's control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Restructuring of entities or businesses under common control

A business combination of entities or businesses under common control is excluded from IFRS 3 Business Combinations as it involves the combination of businesses that are ultimately controlled by the same company as before. Any such business combination is accounted for at the net asset value and no goodwill is raised on these business combinations. Any difference between the net asset value and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

1.3. Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly-controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly-controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRSs (1 March 2006) has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill written off to reserves under UK GAAP prior to 1 March 2006 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

1.4. Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

1.5. Revenue recognition

The Group earns revenue from professional services contracts with customers which are categorised by "milestone" and "time and material" contracts. Customers gain immediate use of the output of the service once the professional service has been rendered.

The performance obligations are recognised over time where the performance obligation complies with the criteria under IFRS 15 of providing an asset with no alternative use. The revenue on the performance obligation is recognised based on the progress towards complete satisfaction of the performance obligation.

The directors have assessed that the progress towards complete satisfaction of the performance obligation is measured by the amount of time that is needed to complete the performance obligation. Where a performance obligation does not meet the necessary criteria under IFRS 15 to be able to recognise the revenue over time, it will be recognised in-time once the performance obligation has been satisfied and delivered to the customer.

Where recorded revenue exceeds amounts invoiced to clients, the excess is classified as contract assets and where recorded revenue is less than the amounts invoiced to clients, the difference is classified as contract liabilities.

1.6. Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Where appropriate, in order to minimise its exposure to foreign exchange risks, the Group enters into forward exchange contracts. Any gains or losses arising are recognised in the statement of comprehensive income.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

1.7. Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

1.8. Investment income

Investment income mainly arises from bank and other deposits. Investment income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit assets, investment income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

1.9. Retirement benefit costs

The Group operates defined contribution pension schemes for a number of its staff and directors. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

The Group operates a defined benefits pension scheme for some staff in the Group. Payments to the defined benefit scheme are charged as an expense as they fall due. Any liabilities due to the scheme are settled in the year in which they fall due.

1.10. Taxation

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

Current taxation comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity, respectively. Where current tax or deferred tax arises from the initial accounting for business combination, the tax effect is included in the accounting for a business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

1.11. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold improvements	over the shorter of the lease term or their useful life
Capitalised leased assets	over the shorter of the lease term or their useful life
Fixtures and equipment	over two to five years

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

1.12. Leasing

This standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee is required to recognise right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to former practice; i.e. lessors continue to classify leases as finance or operating leases.

The Group leases various property, plant and equipment. Rental contracts are typically entered for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a range of terms and conditions. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is measured initially at the present value of the lease payments that are not paid at commencement date, discounted at the Group's incremental borrowing rate, unless the rate implicit in the lease is readily determinable. The lease liability is subsequently increased by interest costs and decreased by lease payments made.

The right-of-use asset is measured initially at cost and subsequently at cost less any accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Up to and including the FY19 financial year, leases for property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight line basis over the period of the lease.

The Group has elected to apply the practical expedient in IFRS 16 and accounts for lease and non-lease components as a single lease.

Critical accounting judgements and key sources of estimation uncertainty

The Group has applied judgement to determine the lease term for some of the lease contracts, in which it is a lessee, that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognised.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or to not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and is within the control of the lessee. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

Adjustments recognised on adoption of IFRS 16

The Group adopted IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 March 2019.

Accordingly, the comparative information presented for FY19 has not been restated.

In applying IFRS 16 for the first time, the Group used the following practical expedients permitted by the standard in the application of the initial accounting:

- the application of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments in determining whether leases are onerous;
- not reassessing whether a contract is, or contains, a lease at the date of initial application;
- the use of hindsight in determining the lease term where contracts contain options to extend or terminate the lease;
- accounting for leases that, at 1 January 2019, had a remaining lease term of 12 months or less on a straight line basis over the remaining lease term;
- accounting for leases for which the underlying asset is of low value continue on a straight line basis over the lease term; and
- exclusion of initial direct costs from the measurement of the right-of-use asset at 1 January 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessees' incremental borrowing rates as at 1 March 2019.

1.13. Intangible assets

Intangible fixed assets are stated at cost less accumulated amortisation and any recognised impairment loss. An intangible asset is recognised when it meets the following criteria:
(a) It is identifiable;
(b) The entity has control over the asset;
(c) It is probable that economic benefits will flow to the entity; and
(d) The cost of the asset can be measured reliably.
Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Software	over three years
Customer relationship	over one to four years
Technology based	over seven years

Intangible assets which do not meet the criteria listed above are recognised as expenses in the period in which they are incurred.

The carrying value of intangible assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

1.13. Intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.14. Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified into the following specified categories: "Trade and other receivables" and "Cash and Cash Equivalents". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value.

Trade and other receivables

Trade and other receivables are measured on initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet 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 of the investment have been impacted.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written of are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of comprehensive income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

1.14. Financial instruments (continued)

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities (trade and other payables), including borrowings, are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Amounts owing to vendors

Amounts owing to vendors represent purchase considerations owing in respect of acquisitions. These purchase considerations are to be settled with the vendors in cash or shares on fulfilment of agreed performance criteria. Amounts payable to vendors are included in the purchase consideration at acquisition and, to the extent that agreed performance criteria are not met, affect the profit or loss in the period in which that determination is made. Amounts owing to vendors at fair value through profit and loss are stated at fair value with any gains or losses on remeasurement recognised in profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments to mitigate its foreign currency and not for speculative or trading purposes. Derivatives are not designated as accounting hedges. All derivatives are recognised as assets or liabilities and measured at fair value in the Group's consolidated balance sheet. Derivatives are classified within other debtors and other creditors to the extent that they mature within 12 months of the balance sheet date. Changes in the fair value of derivatives are included in the consolidated statement of comprehensive income in the period in which they occur.

Fair value of financial instruments

The Company uses fair values to measure certain financial instruments. In addition, certain non-financial instruments are accounted for at fair value on a non-recurring basis.

Fair value is defined as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

1.14. Financial instruments (continued)

IFRS 7 Financial Instruments: Disclosures ("IFRS 7") describes three levels of inputs that may be used to measure fair value:

- Level 1- inputs are quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 – inputs are observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities. Level 2 assets and liabilities include derivative contracts whose value is determined using a pricing model or discounted cash flow methodologies with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.
- Level 3 – inputs are unobservable inputs that are supported by little or no market activity. Valuation of Level 3 assets and liabilities requires significant management judgment to develop estimates of fair value. Estimates are not necessarily indicative of the amounts the Company could realise in a current market transaction.

Derivative financial instruments are recognised and measured at fair value in the Company's consolidated balance sheet. Carrying amounts of receivables, payables, accrued expenses and short-term debt approximate to their fair values.

1.15. Share-based payments

The Group has applied the requirements of IFRS 2 *Share-based Payment.*

The Group issues equity-settled and cash-settled share-based payments to certain employees as part of their total remuneration. Fair value is measured using either the Black Scholes model or the binomial pricing model, whichever is most appropriate to the award. The fair values are charged to the statement of comprehensive income on a straight-line basis over the vesting period with an increase in equity reserves for equity-settled share-based payments (included in retained earnings) and an increase in non-current liabilities for cash-settled share-based payments (shown separately in the consolidated and Company Balance Sheet). Management reviews the fair value estimate each year based on its estimate of shares that will eventually vest.

In applying IFRS 2 *Share-based Payment*, the directors have used employee churn rate for different options based on previous experience to arrive at the estimate of shares that will eventually vest. The valuation is based on a Black-Scholes model and is conducted by an independent advisor, based on certain assumptions, such as volatility and dividend yield. In the absence of historic share price information and historic dividends for the Company, these estimates are based on comparable companies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

1. ACCOUNTING POLICIES (continued)

1.16. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are discussed below.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key areas of estimation included in the Group's annual financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Estimates made in determining the recoverable amount of acquired intangible assets included in the consolidated balance sheet (disclosed in Note 14). The Group continually assesses the carrying value of its intangible assets recognised as part of historical acquisitions. This requires an estimation of the value in use, based on estimated future cash flows and discount rates of the asset or cash-generating units to which these assets belong.

Estimates made in determining the recoverable amount of goodwill included in the consolidated balance sheet (disclosed in Note 10). Similar to acquired intangible assets, this requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. The Group's cash-generating units are consistent with those segments disclosed in Note 10 to the annual financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

2. REVENUE

An analysis of the Group's revenue, all from continuing operations, is as follows:

	2020 £	2019 £
Included in revenue		
Telecoms, media and IT consultancy services	46,216,442	34,740,684
Included in other income		
Income from sublet properties	358,049	436,394

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group has only one principal activity, the provision of telecoms, media and IT consultancy services.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of services:

	2020 £	2019 £
United Kingdom	7,950,627	5,901,001
Other European countries	17,288,206	12,513,733
Rest of world	20,977,609	16,325,950
	46,216,442	34,740,684

4. PROFIT BEFORE TAX

	2020 £	2019 £
Operating profit has been arrived at after charging:		
Net foreign exchange (gains)/losses	(11,409)	141,457
Depreciation of property and equipment	340,794	387,073
Depreciation of right of use assets	1,562,514	-
Amortisation of acquired intangible assets	647,124	367,586
Amortisation of software	61,296	54,039
Staff costs (see note 6)	28,390,383	22,383,188
Net increase in impairment allowances	48,323	13,452
Lease expense	-	1,593,632
Low value lease expense	10,163	-
Short term lease expense	115,919	-
Management fees	202,905	179,327
Restructuring	-	71,818
Loss on disposal of property and equipment	256	-
Loss on disposal of software	960	-

The amortisation of intangible assets is included within administrative expenses

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

5. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	80,500	72,900
Fees payable to the Company's auditor and their associates for other services to the Group:		
- Audit of the Company's subsidiaries pursuant to legislation	9,500	9,500
Total audit fees	90,000	82,400
- Taxation compliance services	15,962	17,498
- Other taxation advisory services	-	-
Total non-audit fees	15,962	17,498

6. STAFF COSTS

	2020 No.	2019 No.
The average monthly number of employees (including directors) was:		
Office and management	264	226
This is split between direct employees and non-direct employees:		
Direct employees	216	180
Non-direct employees	48	46

	£	£
Their aggregate remuneration comprised:		
Wages and salaries	24,417,419	19,174,544
Social security	2,663,709	2,115,771
Pension costs	1,309,255	1,092,873
	28,390,383	22,383,188

The amounts expensed in respect of the share-based payment scheme are separately disclosed in Note 24. The directors' remuneration has been disclosed separately in Note 34.

7. INVESTMENT INCOME

	2020 £	2019 £
Interest receivable on bank deposits	2,079	11,095
Interest receivable on related party loans	25,570	45,579
	27,649	56,674

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

8. FINANCE COSTS

All finance costs relate to financial instruments measured at amortised cost.

	2020 £	2019 £
Interest paid on bank overdrafts and other loans	17,435	3,772
Finance charges on finance lease obligations	220,565	377
Interest paid on group loan	57,438	54,043
	295,438	58,192

9. TAX

	2020 £	2019 £
Corporation tax		
Current year	1,874,459	770,539
Adjustments in respect of prior years	(78,426)	(17,596)
Deferred tax		
Current year	(525,644)	(226,204)
Adjustments in respect of prior years	(24,840)	59,876
Total tax charge	1,245,549	586,615

The charge for the year can be reconciled to the profit in the statement of comprehensive income as follows:

	2020 £	2020 %	2019 £	2019 %
Profit before tax	4,269,271		1,260,782	
Standard rate as a percentage of profits	811,162	19.0	239,549	19.0
Effects of:				
Non-deductible expenses	78,336	1.9	(49,737)	(4.0)
Utilisation of losses previously not recognised	(7,327)	(0.2)	(15,403)	(1.2)
Deferred tax not recognised	4,074	0.1	71,459	5.7
Non recoverable withholding taxes	298,333	7.0	192,250	15.2
Different tax rates of subsidiaries operating in other jurisdictions	163,779	3.8	84,605	6.7
Change in rate of income tax	458	0.0	21,612	1.7
Adjustments in respect of prior years	(103,266)	(2.4)	42,280	3.4
Tax expense and effective tax rate for the year	1,245,549	29.2	586,615	46.5

Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 29 February 2020 continue to be measured at a rate of 17%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

10. GOODWILL

	£
Cost	
At 1 March 2018	18,929,372
Other Movements	5,328
Additions	1,232,703
At 1 March 2019	20,167,403
Other Movements	7,737
Additions	1,259,718
At 29 February 2020	21,434,858
Accumulated impairment losses	
At 28 February 2019, and 29 February 2020	3,386,183
Carrying amount	
At 28 February 2019	16,781,220
At 29 February 2020	18,048,675

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and risks. The Group operates as a group of cash generating units as the entities have the same principal activity. The discount rate used was 14.25%, which was supported by advice from external consultants. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and reasonable expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets for the next 3 years which are approved by management. Cash flows are extrapolated for a further 3 year period with estimated annual growth reducing gradually, to a rate of 2%, which is considered to not exceed the long-term market growth, in perpetuity used to calculate the terminal value.

As a result of the impairment analyses, it was concluded that no impairments were required to be recorded in the year.

11. LOANS TO RELATED PARTIES

	2020 £	2019 £
Mason Advisory Limited	-	1,111,527
Directus AS	18,337	18,623
Total related party loans	18,337	1,130,150
Amounts due for settlement within 12 months (note 18)	-	511,527
Amounts due for settlement after 12 months	18,337	618,623

The settlement currency from Directus AS is Norwegian Krone.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

11. LOANS TO RELATED PARTIES (continued)

On 18 February 2019 Analysys Mason Limited granted Directus AS an unsecured loan totalling NOK206,900 over three years. This bears interest at a rate of 0.5% over the Norwegian Interbank Offered Rate.

12. PROPERTY, PLANT AND EQUIPMENT

	Capitalised leased assets	Leasehold improvements	Fixtures and equipment	Total
	£	£	£	£
Cost				
At 1 March 2018	241,378	899,703	888,699	2,029,780
Additions	-	201,024	40,240	241,264
Disposals	-	(93,035)	(82,709)	(175,744)
Acquisition of subsidiary	-	33,955	273,072	307,027
At 28 February 2019	241,378	1,041,647	1,119,302	2,402,327
Additions	-	237,890	332,599	570,489
Disposals	-	(63,371)	(228,523)	(291,894)
Acquisition of subsidiary	-	-	29,006	29,006
Capitalised leased assets transferred to right-of-use assets on adoption of IFRS 16	(241,378)	-	-	(241,378)
At 29 February 2020	-	1,216,166	1,252,384	2,468,550
Depreciation				
At 1 March 2018	113,985	516,339	601,783	1,232,107
Charge for the year	80,459	161,227	145,387	387,073
Eliminated on disposals	-	(93,036)	(82,709)	(175,745)
Acquisition of subsidiary	-	29,727	245,200	274,927
At 28 February 2019	194,444	614,257	909,661	1,718,362
Charge for the year	-	187,312	153,482	340,794
Eliminated on disposals	-	(63,371)	(228,267)	(291,638)
Acquisition of subsidiary	-	-	24,779	24,779
Capitalised leased assets transferred to right-of-use assets on adoption of IFRS 16	(194,444)	-	-	(194,444)
At 29 February 2020	-	738,198	859,655	1,597,853
Carrying amount				
At 29 February 2020	-	477,968	392,729	870,697
At 28 February 2019	46,933	427,390	209,641	683,964

Capitalised leased assets relate to IT equipment. Contractual commitments at year end are £nil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

13. RIGHT OF USE ASSETS

	Land and buildings £	Computer equipment £	Total £
Cost			
At 28 February 2019	-	-	-
Take-on balances on adoption of IFRS 16	7,158,415	26,586	7,185,001
Capitalised leased assets transferred from property, plant and equipment on adoption of IFRS 16	-	241,378	241,378
Additions	830,269	67,863	898,131
At 29 February 2020	7,988,684	335,827	8,324,511
Depreciation			
At 28 February 2019	-	-	-
Capitalised leased assets transferred from property, plant and equipment on adoption of IFRS 16	-	194,444	194,444
Charge for the year	1,497,484	65,030	1,562,514
At 29 February 2020	1,497,484	259,474	1,756,958
Carrying amount			
At 29 February 2020	6,491,200	76,353	6,567,553
At 28 February 2019	-	-	-

Refer to Note 36 for details of the impact of the adoption of IFRS 16.

The Group has initially applied IFRS 16 at 1 March 2019 using the cumulative effect method, under which the comparative information is not restated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

14. INTANGIBLE ASSETS

	Software	Customer relationships	Technology based	Total
	£	£	£	£
Cost				
At 1 March 2018	738,491	1,197,476	164,008	2,099,975
Additions	65,472	-	-	65,472
Acquisition of subsidiary	70,060	291,693	135,397	497,150
At 28 February 2019	874,023	1,489,169	299,405	2,662,597
Additions	112,631	-	-	112,631
Disposals	(89,903)	-	-	(89,903)
Acquisition of subsidiary	-	912,854	-	912,854
At 29 February 2020	896,751	2,402,023	299,405	3,598,179
Amortisation				
At 1 March 2018	645,940	402,644	18,223	1,066,807
Charge for the year	54,039	331,385	36,201	421,625
Acquisition of subsidiary	69,537	-	-	69,537
At 28 February 2019	769,516	734,029	54,424	1,557,969
Charge for the year	61,296	602,803	44,321	708,420
Eliminated on disposals	(88,943)	-	-	(88,943)
Acquisition of subsidiary	-	-	-	-
At 29 February 2020	741,869	1,336,832	98,745	2,177,446
Carrying amount				
At 29 February 2020	154,882	1,065,191	200,660	1,420,733
At 28 February 2019	104,506	755,141	244,980	1,104,628

During the year the Group acquired Stelacon Holding AB, a consultancy based in Sweden. The intangible assets that were acquired have been recognised above. Contractual commitments at year end are £nil.

15. INVESTMENTS

	Principal activity	Country of incorporation	Effective Ownership 2020	Effective Ownership 2019	Carrying Value 2020	Carrying Value 2019
			%	%	£	£
Directus AS	Consulting	Norway	41.0	-	1,318,469	67,569

Directus AS' year-end is 31 December, the reporting date when the investment in Directus AS was made. The Group does not control Directus and cannot amend its year-end date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

16. SUBSIDIARIES

A list of the investments in subsidiaries, including the name, principal activity, registered address and country of incorporation is shown below:

Name of company	Principal activity	Country of incorporation	Address of Registered Office
Analysys Mason Pte Limited	Consulting	Singapore	1
Analysys Mason Limited	Consulting	Ireland	2
Analysys Limited	Consulting	UK	3
OSS Observer LLC	Dormant	USA	4
Analysys Mason FZ LLC	Consulting	UAE	5
Analysys Mason (Mauritius) Limited	Consulting	Mauritius	6
Analysys Mason India Pvt Limited	Consulting	India	7
Analysys Mason Limited	Consulting	Hong Kong	8
Analysys Mason AB	Consulting	Sweden	9
Analysys Mason AS	Consulting	Norway	10
Analysys Mason Spain SLU	Consulting	Spain	11
Analysys Mason SRL	Consulting	Italy	12
Access Markets International (AMI) Partners Inc.	Research	USA	13
Access Markets International (AMI) Partners PTE Limited	Research	Singapore	14
Analysys Mason Holding AB	Consulting	Sweden	15
Analysys Mason SAS	Consulting	France	16

Each of the above subsidiaries is 100% owned by Analysys Mason Limited.

All shareholdings at the year end related to ordinary shares in subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

16. SUBSIDIARIES (continued)

Registered addresses of the subsidiaries:

1 77 Robinson Road, #13-00 Robinson 77, Singapore, 068896
2 5 Harbourmaster Place, International Financial Services Centre, Dublin 1, Ireland
3 8 Exchange Quay, Salford, Manchester, M5 3EF, UK
4 1500 District Avenue, Burlington, MA 01803, USA
5 3414 Al Shatha Tower, Dubai Internet City, PO Box 502064, Dubai, UAE
6 4th Floor, Hennessy Tower, Pope Hennessy Street, Port Louis, Mauritius
7 First Floor, Building No.10, Tower"C" ,DLF Cyber City Phase II, Gurgaon - 122002(Haryana) ,India
8 Room 1006, 10th Floor, Wharf T&T Centre, 7 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong
9 Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm, 111 53, Sweden
10 Tjuvholmen Allé 19, 0252 Oslo, Norway
11 José Abascal 57 7°D, 28003 Madrid, Spain
12 Corso Venezia n. 37, 20 121 Milano (MI), Italy
13 505 Eighth Avenue, Suite 1705, New York, NY10018, USA
14 143 Cecil Street, No 08 01 GB Building, Singapore, 069542
15 Sankt Eriksgatan 63, 9th Floor, Stockholm, 112 34, Sweden
16 25 rue d'Artois, 75008 Paris, France

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

17. CONTRACT ASSETS

	2020 £	2019 £
Contract assets	5,543,276	2,972,415

Reconciliation of contract assets

	2020 £	2019 £
Contract asset at the beginning of the year	2,972,415	3,598,430
Change in time frame for a performance obligation to be satisfied	(2,972,415)	(3,598,430)
Amounts recognised during the year	5,543,276	2,972,415
	5,543,276	2,972,415

All contract assets relate to work that has been performed but not yet classified to a receivable. Once a contract reaches certain milestones Analysys Mason Limited will then invoice the customer and transfer the contract asset to trade receivables.

At the end of the year there were no contracts where the revenue could not be recognised due to the performance obligations being unsatisfied (or partially unsatisfied).

All contract assets are expected to be received within one year.

18. OTHER FINANCIAL ASSETS

Trade and other receivables

	2020 £	2019 £
Amounts receivable for the sale of services	9,695,845	8,349,469
Allowance for doubtful debts	(223,283)	(179,560)
	9,472,562	8,169,909
Other debtors and prepayments	1,835,336	1,496,006
Amounts due from related party (note 34)	154,834	685,511
	11,462,732	10,351,426

Trade receivables

Total trade receivables (net of allowances) held by the Group as at 29 February 2020 amounted to £9,472,562 (2019: £8,169,909). As at 29 February 2020 no trade receivables were classified as held for sale (2019: £nil).

The average credit period taken on sales of services is 60 days (2019: 70 days). Trade receivables greater than 30 days are provided for based on estimated irrecoverable amounts from the sale of services, determined by reference to past default experience.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

18. OTHER FINANCIAL ASSETS (continued)

Included in the Group's trade receivable balance are debtors with a carrying amount of £4,442,393 (2019: £3,654,682), which are past due at the reporting date for which the Group has not provided against as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. An analysis of those amounts is shown below. The directors consider that the carrying amount of trade receivables approximates to their fair value.

	2020 £	2019 £
30 - 60 days	3,044,511	1,120,053
60 - 90 days	762,626	420,542
90 - 120 days	434,344	662,220
120+ days	550,666	1,451,867
	4,792,147	3,654,682

Movement in the allowances for doubtful debts:	2020 £	2019 £
Balance at the beginning of the year	(179,560)	(177,571)
Increases in impairment allowances during the year	(48,323)	(116,814)
Decreases in impairment allowances during the year	-	103,362
Amount written off as uncollectable	4,620	17,141
Foreign exchange differences	(20)	(5,678)
Balance at the end of the year	(223,283)	(179,560)

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debt.

Included in the Group's trade receivable balance are debtors against which the Group has made a provision.

	2020 £	2019 £
Gross value of debtors that have been individually impaired	223,283	180,480
Impairment loss against these debtors	(223,283)	(179,560)
	-	920

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

	2020 £	2019 £
Cash and cash equivalents	4,866,491	4,037,421

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

19. OTHER FINANCIAL LIABILITIES

	2020 £	2019 £
Trade and other payables	8,955,774	7,748,036

Trade and other payables principally comprise amounts outstanding for trade purchases, social security on employment costs, value added taxes and ongoing costs.

The directors consider that the carrying amount of trade payables approximates to their fair value.

20. DEFERRED CONSIDERATION

	2020 £	2019 £
Amounts due to vendors	959,558	153,307

Deferred consideration in 2020 relates to the amount due to the previous shareholders of Stelacon Holding AB, a company that was purchased on 1 March 2019 (see note 35).

During the year £154,356 was paid to the previous shareholders of Access Markets International (AMI) Partners Inc due to the required conditions being met during the year.

21. RIGHT OF USE LEASE LIABILITIES

During the year the Group had various lease agreements in existence. The lease terms vary from two to ten years. The Group's obligation under finance leases are secured by the lessors' title to the leased assets.

	Land & Buildings		Photocopier Equipment		Total	
	2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
Within one year	1,377,339	-	10,451	-	1,387,790	-
In second to fifth years	4,969,914	-	8,933	-	4,978,847	-
After five years	133,370	-	-	-	133,370	-
Total	6,480,623	-	19,384	-	6,500,007	-
Total short-term liabilities	1,377,339	-	10,451	-	1,387,790	-
Total long-term liabilities	5,103,284	-	8,933	-	5,112,217	-

On 1 March 2019 (date of adoption of IFRS16) the Group recognised lease liabilities of £7.2m. Where an interest rate was not provided by the lessor the Group applied an incremental borrowing rate of 2.75%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

22. CONTRACT LIABILITIES

	2020	2019
	£	£
Contract liabilities	3,273,069	2,612,282

Reconciliation of contract liabilities

	2020	2019
	£	£
Contract liabilities at the beginning of the year	2,612,282	2,889,646
Change in time frame for a performance obligation to be satisfied.	(2,612,282)	(2,889,646)
Amounts recognised during the year	3,273,069	2,612,282
	3,273,069	2,612,282

All contract liabilities relate to payments on account and deferred revenue where there is still a performance obligation to satisfy so the revenue on the contract cannot be recognised. All contract liabilities are expected to be recognised within one year.

23. BORROWINGS

	2020	2019
	£	£
Secured borrowings at amortised cost		
Bank loan	118,984	-
Finance lease	67,895	40,442
Unsecured borrowings at amortised cost		
Loan from related party	1,127,435	1,586,546
Total borrowings	1,314,314	1,626,958
Bank loan	64,922	-
Finance Lease	30,049	40,442
Loan from related party	561,856	475,799
Amounts due for settlement within 12 months	656,827	516,241
Bank loan	54,062	-
Finance Lease	37,846	-
Loan from related party	565,579	1,110,747
Amounts due for settlement after 12 months	657,487	1,110,747

The settlement currencies for the borrowings are Swedish Krone and US Dollars.

Analysys Mason Limited has a £3.0 million overdraft facility (2019: £1.5 million), which is renegotiated annually and bears interest at a rate of 2.0% over the Bank of England base rate. The overdraft is secured by a debenture comprising fixed and floating charges over all assets and undertakings of Analysys Mason Limited and Analysys Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

23. BORROWINGS (continued)

There is a composite guarantee between HSBC Bank plc, Analysys Mason Limited, Analysys Limited, Analysys Mason Limited (Ireland), Analysys Mason FZ LLC, Analysys Mason Pte Limited and Analysys Mason (Mauritius) Limited, as well as a guarantee given by Datatec plc to HSBC limited to £5 million which covers Analysys Mason Limited.

On 1 July 2018 Datatec plc granted Analysys Mason Limited a loan totalling $3.5 million repayable over three years. This bears interest at a rate of 2.0% over the USD LIBOR base rate. At 29 February 2020 the value of the loan outstanding to Datatec plc was $1,443,206.

Stelacon Holding AB has a loan from Handelsbanken AB totalling Kr 4.0 million with a final repayment date 31 December 2021. This bears interest at a rate of 3.5% and is secured against the assets of the business. At 29 February 2020 the value of the loan outstanding was Kr 1,393,342.

24. SHARE-BASED PAYMENTS

Performance Shares scheme (cash and equity settled)

The Company has a Performance Shares scheme for certain employees of the Group. Performance Shares are exercisable at a price equal to the market price of the Company's shares on the vesting date. Performance Shares are forfeited if the employee leaves the Group before they vest.

The Company has different vesting conditions dependent upon the year of issue. For Performance Shares issued in 2017, 2018 and 2019: 25% of the Performance Shares, the unconditional portion, automatically vest on the expiry of 3 years from the date of grant and will be equity settled. The balance of 75% is conditional upon the performance of the Group and can be settled by way of cash, equity, or a mix of both to be elected by the performance holders.

Details of Performance Shares outstanding during the year are as follows:

	2020 Number of share options	2019 Number of share options
Outstanding at beginning of year	218,660	210,718
Granted during the year	86,529	85,573
Exercised during the year	(56,304)	(64,131)
Expired during the year	(15,708)	(13,500)
Outstanding at the end of the year	233,177	218,660
Exercisable at the end of the year	-	-

The weighted average share price at the date of exercise for share options exercised during the year was £15.98. The options outstanding at 29 February 2020 had a weighted average exercise price of £0 (2019: £0), and a weighted average remaining contractual life of 1.1 years. In 2020, options were granted on 1 March 2019. The aggregate of the estimated fair values of the options granted on those dates is £1,584,346.

A simplified Black-Scholes model has been used to value the performance shares. The simplified Black-Scholes model is a function of the value per share at 28 February 2019, the assumed dividend yield, and the fact that the shares may vest 3 years from grant date. Expected volatility has been determined by reference to peer group data. The inputs into the simplified Black-Scholes model are as follows:

	2020	2019
Weighted average share price	£18.31	£15.98
Weighted average exercise price	£0	£0
Expected life	1.10	1.00
Expected dividend yield	0.0%	0.0%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

24. SHARE-BASED PAYMENTS (continued)

The Group recognised total expenses of £1,617,612 (2019: £1,186,927) for the cash and equity settled Performance Shares scheme. In 2020, the Group has recorded liabilities of £1,388,019 (2019: £891,318) in "Liabilities for Share Based Payments" with the balance of £650,043 (2019: £531,204), being the equity portion, included in retained earnings (see note 29).

Growth Share Plan (cash settled)

Summary

	2020			2019		
	Expenses	Liability Equity	Liability Cash	Expenses	Liability Equity	Liability Cash
	£	£	£	£	£	£
Performance Shares	1,617,612	650,043	1,388,019	1,186,927	531,204	891,318
	1,617,612	650,043	1,388,019	1,186,927	531,204	891,318

25. DEFERRED TAX

	Accelerated tax depreciation	Provisions	Losses	Intangible Assets	Total
	£	£	£	£	£
At 1 March 2018	165,100	317,508	114,906	(216,342)	381,172
Recognition of intangible assets	-	-	-	(89,689)	(89,689)
(Charge)/ credit to income	(22,046)	(6,596)	111,978	82,978	166,314
At 28 February 2019	143,054	310,912	226,884	(223,053)	457,797
Recognition of intangible assets	-	-	-	(194,987)	(194,987)
(Charge)/ credit to income	(6,182)	56,613	357,301	142,752	550,484
At 29 February 2020	136,872	367,525	584,185	(275,288)	813,294

Certain deferred tax assets and liabilities have been offset. The following analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2020	2019
	£	£
Deferred tax assets	1,088,583	680,550
Deferred tax liabilities	(275,289)	(223,053)
	813,294	457,497

Deferred tax assets of £578,299 (included in the £1,088,583 above) have been recognised in respect of losses incurred by entities that were loss making in both the current and prior year. The recognition of the deferred tax asset on tax losses is based on the strong probability that future profits will arise based on budgets, in excess of the profits arising on the reversal of existing taxable differences, against which these losses can be offset.

At the balance sheet date, the Group has unused and unrecognised tax losses of £1,213,361 (2019: £1,131,887) available for offset against future profits. Of these unrecognised tax losses £593,000 relating to USA will start to expire from February 2030.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

26. SHARE CAPITAL

Authorised
10,000,000 (2019: 10,000,000) ordinary shares of 1p each
376,250 (2019: 376,250) deferred shares of 1p each

	2020	2019
	£	£
Issued and fully-paid		
2,176,588 (2019: 2,176,588) ordinary shares of 1p each	21,766	21,766
376,250 (2019: 376,250) deferred shares of 1p each	3,762	3,762
	25,528	25,528

The Company has two classes of ordinary shares which carry no rights to fixed income.

Shareholders present in person or by proxy have one vote for every ordinary share held. Votes may be exercised by a show of hands or a poll.

In the event of liquidation any assets of the Company remaining after the payment of its liabilities shall first be due to the ordinary shareholders. Deferred shares are entitled to a payment of £1 in aggregate.

27. SHARE PREMIUM ACCOUNT

	£
At 1 March 2018, 28 February 2019 and 29 February 2020	18,491,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

28. OWN SHARES

	£
At 1 March 2018	1,577,212
Acquired in the year	48,586
Disposed in the year through cash settlement	(79,460)
Shares vested in the year	(180,555)
Revaluation of shares transacted by the Employee Benefit Trust at a discount, taken straight to equity reserves	58,746
At 28 February 2019	1,424,529
Acquired in the year	182,736
Disposed in the year through cash settlement	(179,225)
Shares distributed on acquisition	(571,809)
Shares vested in the year	(153,741)
Revaluation of shares transacted by the Employee Benefit Trust at a discount, taken straight to equity reserves	(662,954)
At 29 February 2020	39,536

The Analysys Mason Limited Employee Benefit Trust ("Trust") was established on 17 November 2006. In accordance with the terms of the Trust Deed, the Trust was established as part of a remuneration arrangement in order to facilitate the recruitment, retention and motivation of employees of Analysys Mason Limited and its subsidiaries.

The Trust is funded by a loan of £39,536 from Analysys Mason Limited. At the financial year end, the Trust held 3,759 ordinary shares of 1p each and 65,000 deferred shares of 1p each in Analysys Mason Limited.

The own shares reserve represents the cost of shares in Analysys Mason Limited purchased from employees leaving the Company and held by the Trust.

29. RETAINED EARNINGS

	£
At 1 March 2018	6,231,406
Net profit for the year	674,167
Prior year adjustment due to change in accounting policy	(128,648)
Credit to equity for equity-settled share based payments	31,574
Shares in Employee Benefit Trust transacted at a discount	58,746
Dividends paid during the year	(346,336)
Other currency translation differences	1,313
At 28 February 2019	6,522,222
Net profit for the year	3,023,722
Credit to equity for equity-settled share based payments	118,839
Shares in Employee Benefit Trust transacted at a discount	(662,954)
At 29 February 2020	9,001,829

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

30. NOTES TO THE CASH FLOW STATEMENT

	2020 £	2019 £
Profit for the year	3,023,722	674,167
Adjustment for:		
Investment revenue	(27,649)	(56,674)
Finance costs	295,438	58,192
Income tax expense	1,245,549	586,615
Depreciation of property and equipment	340,792	387,073
Depreciation of right of use assets	1,562,513	-
Amortisation of intangible assets	708,420	421,625
Share-based payments expense	1,617,612	1,186,927
Unrealised foreign exchange losses/(gains)	39,922	45,893
Loss on disposal of property and equipment	256	-
Loss on disposal of software	960	-
Amounts paid to vendors	(154,355)	(559,024)
Operating cash flows before movements in working capital	8,653,180	2,744,794
Decrease/ (increase) in contract assets	(2,570,861)	626,015
Increase in receivables	(1,133,622)	(1,631,554)
Increase /(decrease) in payables	598,296	(1,102,673)
Cash from operations	5,546,993	636,582
Income tax paid	(811,111)	(385,140)
Interest paid	(95,988)	(58,192)
Net cash from operating activities	4,639,894	193,250

Cash and cash equivalents comprise cash and short term bank deposits. No bank accounts are overdrawn at the year end.

Analysis of changes in net debt:

	1 March 2019 £	Cash flow £	FX movement £	Other non cash movement £	29 February 2020 £
Cash and bank balances	4,037,421	829,070	-	-	4,866,491
Borrowings	(40,457)	97,683	-	(176,110)	(118,884)
Intercompany loan	(1,586,546)	550,191	(59,130)	(31,950)	(1,127,435)
Net Debt	2,410,418	1,476,944	(59,130)	(208,060)	3,620,172

31. CONTINGENT LIABILITIES

The Group issues bid and performance guarantees in compliance with contracts held with its UK and overseas clients. The amount of outstanding guarantees at the financial year end was £224,757 (2019: £613,251).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

32. RETIREMENT BENEFITS

The Group operates defined contribution pension schemes for staff and directors. Contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the schemes.

During the year the Group contributed £1,291,803 (2019: £1,084,644) to defined contribution pension schemes and had outstanding contributions of £132,924 as at 29 February 2020 (2019: £115,472).

33. FINANCIAL INSTRUMENTS

33.1 Financial risk management objectives

The Group's senior management is responsible for monitoring and managing the financial risks relating to the operations of the Group. This is achieved through the use of internal risk analyses which analyse exposures by likelihood and magnitude of risks. These risks include market risk (including currency and interest risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. Compliance with policies and exposure limits is reviewed by Datatec Limited's (the senior parent company) internal auditors on a continual basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

When appropriate, management reports regularly to Datatec Limited's audit, risk and compliance committee. The Group's financial instruments consist mainly of cash and cash equivalents, accounts receivable, accounts payable, borrowings and derivative instruments.

33.2 Capital risk management

The Group and Company manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 23, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group is not subject to any externally imposed capital requirements. The Group's capital structure is reviewed on at least an annual basis by the Board.

33.3 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the basis for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 1.

33.4 Categories of financial instruments

	2020 £	2019 £
Financial assets		
Loans and receivables (including cash and cash equivalents)	15,362,689	13,880,854
Financial liabilities		
Liabilities at amortised cost	9,793,209	2,579,946

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

33. FINANCIAL INSTRUMENTS (continued)

33.5 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 and the Company. The Group and the Company has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

In assessing whether the credit risk on trade receivables have increased significantly since initial recognition, the Group compares the risk of a default occurring at the reporting date with the risk of default occurring at the date of initial recognition. The Group considers both quantitative and qualitative information that is reasonable and supportable including historical and forward -looking information that is available without undue cost or effort.

The Group and the Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group and the Company defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 10% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group assess trade receivables as a low risk of default if the trade receivable has enough capacity to settle their debts. A customer is deemed to be in default once the due date for payment per agreed terms and conditions is missed, and no alternative method or timetable for settlement has been agreed to. When the debtor is in severe financial difficulty, there is no prospect of recovering the debt and every effort has been made to recover the debt the debt will be written off. If the debtor is placed into liquidation the debt will be written off immediately. Management makes the decision based on the information that is available to them.

The carrying amount of financial assets recorded in the financial statements (see note 18), which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. Further information on the concentration of credit risk is detailed in the following table:

	UK	Europe	North America	South America	Asia Pacific	Africa/ Middle East	Total
	£	£	£	£	£	£	£
2020							
Gross trade accounts receivable	631,876	4,498,322	360,729	175,935	1,390,447	2,638,536	9,695,845
Less: allowance for bad debts	-	-	-	-	-	(223,283)	(223,283)
Other receivables	478,783	340,007	37,326	-	327,875	2,926	1,186,917
Forward exchange contracts	47,898	-	-	-	-	-	47,898
Cash and cash equivalents	3,007,295	1,149,246	40,576	-	389,300	280,074	4,866,491
Maximum on balance sheet exposure	4,165,852	5,987,575	438,631	175,935	2,107,622	2,698,253	15,573,868
2019							
Gross trade accounts receivable	985,656	2,932,578	371,128	112,467	1,259,820	2,687,821	8,349,470
Less: allowance for bad debts	(4,599)	-	-	-	-	(174,961)	(179,560)
Other receivables	616,892	48,131	18,900	-	272,869	2,926	959,718
Forward exchange contracts	95,183	-	-	-	-	-	95,183
Cash and cash equivalents	386,539	2,045,903	623,957	-	836,926	144,096	4,037,421
Maximum on balance sheet exposure	2,079,671	5,026,612	1,013,985	112,467	2,369,615	2,659,882	13,262,232

The maximum off balance sheet exposure is £nil (2019: £nil).

The Group and the Company does not consider there to be any significant credit risk, which has not been adequately provided for at the balance sheet date. Furthermore, there has been no material change to the Group's exposure to credit risks or the manner in which it manages and measures the risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

33. FINANCIAL INSTRUMENTS (continued)

33.6 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group and the Company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities and by continuously monitoring forecast and actual cash flows.

The Group is dependent on its bank overdraft to operate. These facilities generally consist of either a fixed term or fixed period but are repayable on demand, are secured against the assets of the Company to which the facility is made available.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	0 – 1 year £	1 – 2 years £	2 – 5 years £	> 5 years £	Total £
2020					
Trade payables	(820,848)	-	-	-	(820,848)
Lease liabilities	(1,417,840)	(1,310,186)	(3,706,507)	(133,370)	(6,567,903)
Forward exchange contracts	(126,581)	-	-	-	(126,581)
Other	(2,285,474)	-	-	-	(2,285,474)
	(4,650,743)	(1,310,186)	(3,706,507)	(133,370)	(9,800,806)
2019					
Trade payables	(1,280,788)	-	-	-	(1,280,788)
Lease liabilities	-	-	-	-	-
Forward exchange contracts	(9,546)	-	-	-	(9,546)
Other	(1,299,158)	-	-	-	(1,299,158)
	(2,589,492)	-	-	-	(2,589,492)

The Group continues to actively monitor its exposure to liquidity risks and the manner in which it manages and measures the risk.

33.7 Market risk management

The Group and Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 33.8) and interest rates (see note 33.9). The Group uses forward foreign exchange contracts to hedge the exchange rate risk arising on transactions denominated in foreign currency.

There has been no material change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

33.8 Foreign exchange risk management

The Group and the Company operates in the global business environment and undertakes many transactions denominated in foreign currencies. The Group is exposed to the risk of fluctuating exchange rates and seeks to actively manage this exposure, within approved policy parameters and through the use of derivative instruments. These instruments primarily comprise forward exchange contracts. Forward exchange contracts require a future purchase or sale of foreign currency at a specified price. The Group does not trade with forward exchange contracts for speculative purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

33. FINANCIAL INSTRUMENTS (continued)

33.8 Foreign exchange risk management (continued)

Fluctuations in exchange rates also affect the translation of the profits of subsidiaries whose reporting currency are not the Pound Sterling.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2020	2019	2020	2019
	£	£	£	£
Other currencies	(4,401,119)	(1,721,516)	11,584,543	11,315,238

Forward foreign exchange contracts

It is the policy of the Group to enter into foreign exchange contracts to cover specific foreign currency payments and receipts based on the known exposure generated. The Group also enters into foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to approximately six months within 100% of the anticipated exposure generated. All forward contracts are held by the Company. The Group and the Company do not apply any hedge accounting. During the year the Group made losses on foreign exchange contracts of £78,682 which have been recognised in administrative expenses within the consolidated statement of comprehensive income.

The following table details the forward foreign currency contracts outstanding as at the year end:

Outstanding contracts	Average exchange rate		Foreign currency		Notional value		Fair value	
	2020	2019	2020	2019	2020	2019	2020	2019
					£	£	£	£
Sell USD								
Less than 3 months	1.3112	1.2939	3,297,000	2,133,000	1,648,564	1,648,564	(57,199)	13,552
Sell EUR								
Less than 3 months	1.1706	1.1261	1,654,000	3,620,000	3,214,565	3,214,565	(9,509)	72,085
Sell SAR								
Less than 3 months	4.9836	-	1,584,000	-	317,843	-	(11,642)	-
Buy AED								
Less than 3 months	4.6949	-	(556,000)	-	(118,426)	-	(333)	-
							(78,683)	85,637

The fair value amounts are included within other debtors and prepayments or other payables on the balance sheet as appropriate. These forward foreign exchange contracts are classified as level 1 financial instruments.

33.9 Interest rate risk management

The Group is exposed to interest rate risk on any drawn balances of the general overdraft facility amounting to £3.0m (2019: £1.5m), bearing interest at the UK base rate plus 2.0%. Interest rate risk is not currently considered significant, however management review interest rate risk on a regular basis and would take action if this became the case.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

34. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions with fellow group undertakings of the ultimate parent, Datatec Limited, are disclosed below.

Sale/purchase of goods and services to/from related parties were made at a competitive rate discounted to reflect the relationships between the parties. No transactions occurred that might affect decisions made by users of the financial statements.

The amounts outstanding will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of amounts owed by related parties.

Trading transactions

	Sales of services		Purchase of services		Amounts owed by related parties		Amounts owed to related parties	
	2020	2019	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£	£	£
Datatec Limited	70,000	5,000	-	-	-	-	-	-
Datatec International Holdings Limited	-	28,412	-	-	-	80,884	-	-
Datatec Financial Services Limited	60,000	41,345	-	-	60,000	-	-	-
Datatec plc	280,095	309,321	280,038	179,327	-	-	1,195,126	1,634,800
Datatec International Services FZE	-	-	-	-	1,734	-	-	-
Mason Advisory Limited	-	78,834	-	-	93,100	1,204,627	-	-
Directus AS	-	-	-	-	18,337	18,623	-	-

On 1 July 2018 Datatec plc granted Analysys Mason Limited a loan totalling $3,500,000 repayable over three years. This bears interest at a rate of 2.0% over the USD LIBOR base rate.At 28 February 2019 the amounts due within one year on the loan was £561,856 and the amounts due after one year was £565,579.

All sales and purchases relate to admin services supplied and received other than those explicitly detailed below:

Loan interest charged to Mason Advisory Limited of £25,570 (2019: £45,579).

Loan interest charged by Datatec plc of £57,438 (2019: £54,044).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

34. RELATED PARTY TRANSACTIONS (continued)

Remuneration of key management personnel

The remuneration of the directors, who are deemed to be the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2020	2019
	£	£
Short-term employee benefits	1,701,262	1,589,065
Post-employment benefits	96,244	157,906
Share-based payments	284,839	351,684
Benefit in kind arising on the purchase of ordinary shares at a discount	448,766	-
	2,531,111	2,098,655

The highest paid director received total emoluments of £611,160 (2019: £513,138), of which £10,000 were post-employment benefits (2019: £11,050). The highest paid director received part of their emoluments by way of 5,413 (2019: 6,987 shares) ordinary shares in the year upon the exercise of performance shares. The number of directors included within the company pension scheme during the year was six.

During the year directors of the Company entered into sale and purchase transactions of Analysys Mason Limited's shares, a summary of which is disclosed below.

		Sale transaction			Purchase transaction		
	Type	Date	Number of shares	Price per share £	Date	Number of shares	Price per share £
A C Moerman	Ordinary	-	-	-	6 Jan 2020	5,145	1.40
F M Glennon	Ordinary	-	-	-	6 Jan 2020	5,145	1.40
T J Rudkin	Ordinary	-	-	-	6 Jan 2020	5,145	1.40
C A Stanford-Beale	Ordinary	-	-	-	6 Jan 2020	5,145	1.40
J M Ruud	Ordinary	-	-	-	6 Jan 2020	5,145	1.40
J A Obradors Samarra	Ordinary	-	-	-	6 Jan 2020	5,145	1.40

Dividends totalling £nil (2019: £12,848) in respect of ordinary shares held by the Company's directors were paid in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

34. RELATED PARTY TRANSACTIONS *(continued)*

On 6 January 2020, the Group provided directors of the Company loans. The loans were provided to help the directors finance the tax burden of a discounted share purchase. The loans are repayable over three years and the aggregated balance at 29 February 2020 were as follows:

	2020	2019
	£	£
Loans provided to directors	157,950	-
	157,950	-

On 6 January 2020, the Group provided an advanced payment to a director of the company. The advance payment was provided to help the director finance the tax burden of a discounted share purchase. The advanced payment will be repaid to the Group by salary reductions over three years. The balance at 29 February 2020 was as follows:

	2020	2019
	£	£
Advanced payments to directors	56,381	-
	56,381	-

During the year there were no other material transactions or balances between the Group and its key management personnel or members of their close family.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

35. ACQUISITION OF SUBSIDIARY

On 1 March 2019, Analysys Mason acquired 100% of the issued share capital and voting rights of Stelacon Holding AB, a consultancy based in Sweden. The consideration payable comprised an initial consideration of SEK13.0 million paid as a mix of cash and Analysys Mason shares, and deferred cash consideration of up to SEK12.0 million. SEK11.8 million was agreed as the final deferred consideration based on certain targets being met. This acquisition was an important further step in building a pan-Scandinavian presence, after Analysys Mason's successful expansion into Norway. Stelacon brings experience in areas including smart cities, regional development, digital services, policy and regulation, and telecoms and digital communication

Consideration transferred

	Kr	£
Cash	6,500,000	532,302
Shares	6,500,000	571,809
Deferred consideration	11,789,548	959,558
	24,789,548	2,063,669

Identifiable assets acquired, and liabilities assumed

	Kr	£
Property plant and equipment	42,284	4,227
Acquired intangibles assets	11,162,228	912,853
Trade receivables	4,511,384	368,962
Other receivables	458,043	37,461
Cash	2,269,870	185,640
Deferred tax liabilities	(1,666,191)	(194,987)
Trade payables	(527,740)	(43,177)
Other payables	(5,722,987)	(468,776)
Tax assets	21,379	1,748
Total identifiable net assets acquired	10,548,270	803,951
Goodwill	14,241,278	1,259,718
	24,789,548	2,063,669
Cash	6,500,000	532,302
Shares	6,500,000	571,809
Deferred consideration	11,789,548	959,558
	24,789,548	2,063,669

The acquired subsidiary contributed £2.3m revenue and losses of £0.2m to the Group's operating profit from the acquisition date to the balance sheet date. All receivables acquired are measured at amortised cost. The carrying value of trade receivables balances equals its fair value, therefore no fair value disclosures are provided. Acquisition-related costs, included in operating costs, for the year amounted to £0.1m.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

36. ADOPTION OF IFRS 16

The impact of the adoption of IFRS 16 in the FY20 year is disclosed below.

	Land and buildings £	Computer equipment £	Total £
Operating lease commitments disclosed as at 28 February 2019	9,685,916	29,611	9,715,527
Discounted using the lessees' incremental borrowing rates at the date of initial application	(762,942)	(1,283)	(764,225)
Less: Short-term leases recognised on a straight line basis as expense	(31,300)	-	(31,300)
Less: Translation and other movements	(1,694,848)	(5,225)	(1,700,073)
Total lease liabilities as at 1 March 2019	7,196,826	23,103	7,219,929

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 28 February 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets as at 1 March 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessees' incremental borrowing rates as at 1 March 2019. Incremental borrowing rates have been determined based on UK specific factors. The weighted average incremental borrowing rates applied to the lease liabilities on 1 March 2019 were 2.75%.

The change in accounting policy affected the following items in the statement of financial position:

Assets

Increase	
Computer equipment	26,586
Land and buildings	7,158,415
Right-of-use assets	7,185,001

Equity and Liabilities

Increase	
Finance lease liabilities	(7,219,929)
Retained Earnings	-
Right-of-use assets	(7,219,929)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

36. ADOPTION OF IFRS 16 (continued)

***Pro forma* information**

The adoption of IFRS 16 from 1 March 2019 complicates performance comparison between the results of the current and prior financial year. To provide a more meaningful assessment of the Group's performance, pro forma information has been presented for the year ended 29 February 2020. The pro forma financial information as set out has been prepared for illustrative purposes and reflects the impact of IFRS 16 on the numbers disclosed on the statement of comprehensive income and statement of financial position as at 29 February 2020. The pro forma numbers represent the results and balance sheet position showing the impact on FY20 as if IFRS 16 had not been applied at 1 March 2019. IFRS 16 balances have been removed from the reported figures in order to determine the pro forma figures. These adjustments have been made to enable a like-for-like comparison to FY19 where IFRS 16 had not been applied.

The following tables show the impact of IFRS 16 on the numbers disclosed on the statement of comprehensive income and statement of financial position as at 29 February 2020. The pro forma numbers represent the results and balance sheet position showing the impact on FY20 as if IFRS 16 had not been applied at 1 March 2019. IFRS 16 balances have been removed from the reported figures in order to determine the pro forma figures to enable a like-for-like comparison to FY19 where IFRS 16 had not been applied.

	2020 *Pro forma* £	2020 Adjustments £	2020 Reported £	2019 £
Statement of comprehensive income				
Gross profit	18,666,532	-	18,666,532	12,472,282
Operating costs	(11,661,496)	1,663,319	(9,998,177)	(9,348,647)
Depreciation	(395,854)	(1,507,452)	(1,903,306)	(387,073)
Finance costs	(78,727)	(216,711)	(295,438)	(58,192)
Profit before taxation	4,330,115	(60,844)	4,269,271	1,260,782
Taxation	(1,263,802)	18,253	(1,245,549)	(586,615)
Profit after taxation	3,066,313	(42,591)	3,023,722	674,167
Statement of financial position				
Non-current assets	22,765,494	6,567,553	29,333,047	19,936,854
Current assets	22,167,218	(216,827)	21,950,391	17,456,790
Total assets	44,932,712	6,350,726	51,283,438	37,393,644
Non-current liabilities	(2,282,949)	(5,150,063)	(7,433,012)	(2,225,118)
Current liabilities	(15,127,976)	(1,243,254)	(16,371,230)	(11,553,930)
Total liabilities	(17,410,925)	(6,393,317)	(23,804,242)	(13,779,048)
Total equity	27,521,787	42,591	27,479,196	23,614,596

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 29 February 2020

37. SUBSEQUENT EVENTS

Acquisitions

Effective 1 April 2020, Analysys Mason acquired 100% of the shares in Allolio&Konrad Consulting GmbH for €7 million cash, a consultancy based in Bonn, Germany with an extensive track record in the telecommunications industry and long-term client relationships with Europe's leading telecom operators. Allolio&Konrad's services include the design, management and assurance of major business support systems and operational support systems transformation programmes and large-scale, multi-year IT strategy initiatives, alongside other solutions focussed on performance and operations management. Due to the timing of this acquisition, the at acquisition accounting has not been finalised and the fair value assessments of assets and liabilities acquired is still in progress, thus the goodwill and intangible asset values related to this acquisition has not been determined. Acquisition related costs of €0.2 million have been incurred on this acquisition.

COVID-19

On 11 March 2020 the World Health Organization declared the coronavirus outbreak causing the disease COVID-19 to be a global pandemic. This was followed by most countries in which the Group operates instituting "lockdown" restrictions to slow the spread of the disease. The Group responded by ensuring the safety and wellbeing of its employees and enabling working from home to maintain social distancing. Travel and face-to face meetings were quickly reduced and eliminated completely in accordance with prevailing regulations. The effect on the Group's business at the date of this report has been considered in detail by the Board in approving the annual financial statements for FY20.

The countries in which the Group operate are all in different stages of "lockdown", including travel, trade restrictions and social distancing measures. Outcomes range from successful virus containment with a short-term economic impact, to a prolonged global contagion resulting in a potential global recession or recessions in countries in which the Group operate. At the same time, there are a number of policy and fiscal responses emerging across the globe intended to mitigate potential negative economic impacts. Datatec is monitoring the developments closely and continuously adjusting across all its operations. The Group follows guidelines from the World Health Organization and abides by the requirements as activated by local governments. Contingency plans have been implemented as far as possible to mitigate the potential adverse impact on the Group's employees and operations.

As the WHO declared COVID-19 a global pandemic on 11 March 2020 after the reporting date of the Group, the Group considers this to be a non-adjusting event after the reporting date as the directors are of the view that the impact of the pandemic on the global markets and economy could not have sufficiently been anticipated at 29 February 2020. As a result the financial effects resulting from the impact of COVID-19 have not been reflected in the Group's financial statements as at 29 February 2020.

As the situation remains fluid and rapidly evolving (due to continuing changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the directors of the Company considered that the financial effects of COVID-19 on the Group's consolidated financial statements cannot be reasonably estimated. Nevertheless, the economic effects arising from the COVID-19 outbreak may materially affect the consolidated results of the Group for the first half and full year of its FY21 financial year.

38. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party of the Group is Datatec Limited, a company incorporated in South Africa. Datatec Limited is the largest group in which the results of the Company are consolidated. Analysys Mason Limited is the smallest group in which the results of the Company are consolidated. Consolidated financial statements can be obtained from the registered address North West Wing, Bush House, Aldwych, London, WC2B 4PJ. Financial statements for Datatec Limited are publicly available for PO Box 76226, Wendywood, Johannesburg 2144, South Africa.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 29 February 2020

39. GENERAL INFORMATION

Analysys Mason Limited is a private company, limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The ultimate parent company and controlling party of the Company is Datatec Limited and is included in the consolidated financial statements of Datatec Limited, which are publicly available.

The address of the Company's registered office is shown on page 1. The nature of the Company's operations and principal activities are set out in the strategic report on page 2.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101) issued by Financial Reporting Council (FRC) incorporating Amendments to FRS101 issued by FRC in July 2015 and then amendments to Company law made by the Companies, Partnerships and Group (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

BASIS OF ACCOUNTING

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the council. These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

40. SIGNFICANT COMPANY ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been consistently applied in the current and preceding years.

Accounting convention

The financial statements are prepared on the historical cost basis, except where the individual accounting policies state otherwise.

Going concern

Having considered the principal risks and uncertainties and having made appropriate enquires, the directors consider that the Company has adequate resources to continue to operate for the foreseeable future and it is therefore appropriate to adopt the going concern basis in the preparing of the financial statements. The Company is also continuing to monitor the developments of the COVID-19 virus and further information on what has been considered by the directors is disclosed on page 18.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value.

Revenue recognition

The Company earns revenue from professional services contracts with customers which are categorised by "milestone" and "time and material" contracts. Customers gain immediate use of the output of the service once the professional service has been rendered.

The performance obligations are recognised over time where the performance obligation complies with the criteria under IFRS 15 of providing an asset with no alternative use. The revenue on the performance obligation is recognised based on the progress towards complete satisfaction of the performance obligation.

The directors have assessed that the progress towards complete satisfaction of the performance obligation is measured by the amount of time that is needed to complete the performance obligation. Where a performance obligation does not meet the necessary criteria under IFRS 15 to be able to recognise the revenue over time, it will be recognised in-time once the performance obligation has been satisfied and delivered to the customer.

Where recorded revenue exceeds amounts invoiced to clients, the excess is classified as contract assets and where recorded revenue is less than the amounts invoiced to clients, the difference is classified as contract liabilities.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 29 February 2020

40. SIGNFICANT COMPANY ACCOUNTING POLICIES (continued)

Foreign exchange

In preparing the financial statements transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Where appropriate, in order to minimise its exposure to foreign exchange risks, the Company enters into forward exchange contracts. Any gains or losses arising are recognised in the statement of comprehensive income.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Taxation

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

Current taxation comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity, respectively. Where current tax or deferred tax arises from the initial accounting for business combination, the tax effect is included in the accounting for a business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

FRS101 Exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a cash flow statement, related party transactions with entities that are part of the Group, standards not yet effective and disclosures of financial instruments.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 29 February 2020

40. SIGNFICANT COMPANY ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, are discussed below.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key areas of estimation included in the Company's annual financial statements, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Estimates made in determining the recoverable amount of acquired intangible assets included in the consolidated balance sheet (disclosed in Note 14). The Company continually assesses the carrying value of its intangible assets recognised as part of historical acquisitions. This requires an estimation of the value in use, based on estimated future cash flows and discount rates of the asset or cash-generating units to which these assets belong.

Estimates made in determining the recoverable amount of goodwill included in the Company balance sheet (disclosed in Note 10). Similar to acquired intangible assets, this requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. The Company's cash-generating units are consistent with those segments disclosed in Note 10 to the annual financial statements.

41. PROFIT FOR THE YEAR

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own statement of comprehensive income for the year. Analysys Mason Limited reported a profit for the year ended 29 February 2020 of £1,529,100 (2019: £755,526) which included dividends received from subsidiaries of £nil (2019: £nil).

42. STAFF COSTS

	2020	2019
The average monthly number of employees (including directors) was:	No.	No.
Office and management	130	125
This is split between direct employees and non-direct employees:		
Direct employees	93	90
Non-direct employees	37	35
	£	£
Their aggregate remuneration comprised:		
Wages and salaries	9,621,769	9,212,438
Social security	1,213,244	1,056,487
Pension costs	647,680	630,028
	11,482,693	10,898,953

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 29 February 2020

43. GOODWILL

Carrying amount	£
At 1 March 2018, 28 February 2019 and 29 February 2020	12,707,560

44. RIGHT OF USE ASSETS

	Land and buildings £	Computer equipment £	Total £
Cost			
At 28 February 2019	-	-	-
Take-on balances on adoption of IFRS 16	5,024,115	26,586	5,050,701
Capitalised leased assets transferred from property, plant and equipment on adoption of IFRS 16	-	241,378	241,378
Additions	-	67,862	67,862
At 29 February 2020	5,024,115	335,826	5,359,941
Depreciation			
At 28 February 2019	-	-	-
Capitalised leased assets transferred from property, plant and equipment on adoption of IFRS 16	-	194,444	194,444
Charge for the year	702,518	65,030	767,548
At 29 February 2020	702,518	259,474	961,992
Carrying amount			
At 29 February 2020	4,321,597	76,352	4,397,949
At 28 February 2019	-	-	-

The company has initially applied IFRS 16 at 1 March 2019 using the cumulative effect method, under which the comparative information is not restated.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 29 February 2020

45. INVESTMENTS

	£
Cost and net book value	
At 1 March 2018 and 28 February 2019	14,108,490
Additions	3,839,835
At 29 February 2020	17,948,325

The investments in subsidiaries are all stated at cost. Details of the Company's subsidiaries are given in note 15 of the consolidated financial statements.

The investment in Stelacon Holdings AB (note 34) and Directus AS (note 15) are included within the current year additions.

46. DEFERRED TAX

	Accelerated tax depreciation £	Provision £	Losses £	Total £
At 1 March 2018	165,100	317,509	-	482,609
Charge to income	(22,046)	(6,578)	-	(28,624)
At 28 February 2019	143,054	310,931	-	453,985
Credit to income	44,670	5,760	-	50,430
At 29 February 2020	187,724	316,691	-	504,415

At the balance sheet date, the Company has unused tax losses of £649,941 (2019: £565,043) available for offset against future profits for which a deferred tax asset of £nil has been recognised (2019: £nil).

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 29 February 2020

47. CONTRACT ASSETS

	2020	2019
	£	£
Contract assets	3,538,597	1,659,040

Reconciliation of contract assets	2020	2019
	£	£
Contract asset at the beginning of the year	1,659,040	2,909,617
Change in time frame for a performance obligation to be satisfied	(1,659,040)	(2,909,617)
Amounts recognised during the year	3,538,597	1,659,040
	3,538,597	1,659,040

All contract assets relate to work that has been performed but not yet classified to a receivable. Once a contract reaches certain milestones Analysys Mason Limited will then invoice the customer and transfer the contract asset to trade receivables.

At the end of the year there were no contracts where the revenue could not be recognised due to the performance obligations being unsatisfied (or partially unsatisfied). All contract assets are expected to be received within one year.

48. OTHER FINANCIAL ASSETS

Trade and other receivables	2020	2019
	£	£
Amounts receivable for the sale of services	5,841,619	5,352,823
Allowance for doubtful debts	(223,283)	(179,560)
	5,618,336	5,173,263
Other debtors and prepayments	891,126	1,503,312
	6,509,462	6,676,575

Trade receivables

Total trade receivables (net of allowances) held by the Group as at 29 February 2020 amounted to £5,618,336 (2019: £5,173,263). As at 29 February 2020 no trade receivables were classified as held for sale (2019: £nil).

The average credit period taken on sales of services is 61 days (2019: 73 days). Trade receivables greater than 30 days are provided for based on estimated irrecoverable amounts from the sale of services, determined by reference to past default experience.

Included in the Company's trade receivable balance are debtors with a carrying amount of £2,468,743 (2019: £1,818,429), which are past due at the reporting date for which the Company has not provided against as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Company does not hold any collateral over these balances. An analysis of those amounts is shown below. The directors consider that the carrying amount of trade receivables approximates to their fair value.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 29 February 2020

48. OTHER FINANCIAL ASSETS (continued)

	2020	2019
	£	£
30 - 60 days	1,530,093	546,562
60 - 90 days	474,194	136,930
90 - 120 days	428,494	114,118
120+ days	448,175	1,020,819
	2,880,956	1,818,429

Movement in the allowances for doubtful debts:	2020	2019
	£	£
Balance at the beginning of the year	(179,560)	(97,063)
Increases in impairment allowances during the year	(48,323)	(82,497))
Decreases in impairment allowances during the year	-	-
Amount written off as uncollectable	4,620	-
Foreign exchange differences	(20)	-
Balance at the end of the year	(223,283)	(179,560)

In determining the recoverability of trade receivables, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debt.

Included in the Company's trade receivable balance are debtors against which the Company has made a provision.

	2020	2019
	£	£
Gross value of debtors that have been individually impaired	223,283	180,480
Impairment loss against these debtors	(223,283)	(179,560)
	-	920

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value

	2020	2019
	£	£
Cash and cash equivalents	3,017,157	784,403

Loans to other Group entities

At the balance sheet date amounts receivable from fellow Group companies were £2,166,969 (2019: £2,006,797). The carrying amount of these assets approximates their fair value. There are no past due or impaired receivables balances (2019: £nil).

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 29 February 2020

49. OTHER FINANCIAL LIABILITIES

Trade and other payables	**2020**	**2019**
	£	**£**
Trade and other payables	4,146,156	4,241,562

Trade and other payables principally comprise amounts outstanding for trade purchases, social security on employment costs, value added taxes and ongoing costs. The Company aims to pay all suppliers in accordance with the payment terms and in line with the supplier terms and conditions. The directors consider that the carrying amount of trade payables approximates to their fair value.

Deferred consideration	**2020**	**2019**
	£	**£**
Amounts due to vendors	959,558	153,307

Deferred consideration in 2020 relates to the amount due to the previous shareholders of Stelacon Holding AB, a company that was purchased on 1 March 2019 (see note 35). During the year £154,356 was paid to the previous shareholders of Access Markets International (AMI) Partners Inc due to the required conditions being met during the year.

Loans from other Group entities

At the balance sheet date amounts payable to fellow Group companies were £5,304,411 (2019: £2,003,391) on which no interest is charged. The carrying amount of these liabilities approximates their fair value.

50. CONTRACT LIABILITIES

	2020	**2019**
	£	**£**
Contract liabilities	2,883,389	2,262,246

Reconciliation of contract liabilities	**2020**	**2019**
	£	**£**
Contract liabilities at the beginning of the year	2,262,246	2,717,137
Change in time frame for a performance obligation to be satisfied	(2,262,246)	(2,717,137)
Amounts recognised during the year	2,883,389	2,262,246
	2,883,389	2,262,246

All contract liabilities relate to payments on account and deferred revenue where there is still a performance obligation to satisfy so the revenue on the contract cannot be recognised. All contract liabilities are expected to be recognised within one year.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
For the year ended 29 February 2020

51. RETAINED EARNINGS

	£
At 1 March 2018	10,829,048
Prior year adjustment due to change in accounting policy	(128,648)
Debit to equity for equity-settled share-based payments	31,574
Shares in employee Benefit Trust transacted at discount	58,746
Dividends paid during the year	(346,336)
Retained Earnings at 28 February 2019 (excluding net profit for the year)	10,444,384
Net profit for the year	755,526
At 28 February 2019	11,199,910
Debit to equity for equity-settled share-based payments	118,839
Shares in employee Benefit Trust transacted at discount	(662,954)
Retained Earnings at 29 February 2020 (excluding net profit for the year)	10,655,795
Net profit for the year	1,529,100
At 29 February 2020	12,184,895