

Registered number: 08534024

Blue Prism Cloud Limited (Previously Thoughtonomy Ltd)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2020**



Blue Prism Cloud Limited

COMPANY INFORMATION

Directors

Terence Walby
Ijoma Maluza

Secretary

John Warrick

Registered number

08534024

Registered office

2 Cinnamon Park Crab Lane,
Fearnhead,
Warrington,
England,
WA2 0XP

Blue Prism Cloud Limited

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Blue Prism Cloud Limited

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 OCTOBER 2020**

The directors present their report and the financial statements for the 17 month period ended 31 October 2020. The comparative period is for the year ended 31 May 2019.

Directors

The directors who served during the period and up to the date of this report unless otherwise stated were:

Terence Alexander Walby
Ijoma Patrick Tilowakuti Maluza (Appointed 17 July 2019)
Alastair Douglas Bathgate (Resigned on 30 April 2020)
Daniel Richard Major (Resigned on 17 July 2019)
Dean William Chapman (Resigned on 17 July 2019)
Patrick Conor MccGwire (Resigned on 17 July 2019)
James Robert Perry (Resigned on 17 July 2019)

Going concern

The company is a subsidiary of Blue Prism Group plc ("The Group"). Blue Prism Group plc has prepared forecasts and budgets, which include the forecast results and balances of Blue Prism Cloud Limited, for the foreseeable future. These forecasts and budgets demonstrate that the Group is able to meet its financial obligations and liabilities as and when they fall due for the foreseeable future. The Directors have received a letter of support for the period of at least 15 Months from the date of approval of the company's financial statements to make available such financial resources that are necessary to enable the company to continue its normal operating activities as a going concern and to meet its financial obligations as they fall due for the foreseeable future;

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 15 months from the date of approval of the financial statements. The Directors recognise that the COVID-19 pandemic does create risks and uncertainties. The primary revenue stream of the Group has an annual recurring element with a 98% renewal rate. This combined with a strong degree of market and geographical diversification provides a strong level of certainty of the revenue for at least a 15 month period. The Group raised gross proceeds of £100.0m via an equity issue in April 2020 to provide significant headroom in the event of prolonged disruptions relating to the COVID-19 pandemic. To date the group has not been significantly impacted. Therefore taking account of the Company's current cash balances, access to additional resources and assessing the sensitised financial forecasts and budgets the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006 including the exemption for preparing a strategic report.

So far as each of the directors at the time the report is approved are aware:

- a) there is no relevant audit information of which the auditors are unaware and,
- b) that they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Blue Prism Cloud Limited

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 OCTOBER 2020 (CONTINUED)**

Directors' indemnities

The Company maintains appropriate Directors' and Officers' insurance and has done so throughout the financial year. This policy is still in place as at the date of this report. On 3 October 2019 the Company made qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) covering Directors of the Company. These provisions remain in force at the time of this report. In accordance with the Companies Act 2006, the deeds of indemnity are available for inspection.

During the period, the company name was changed from Thoughtonomy Ltd to Blue Prism Cloud Limited.

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

Ijoma Maluza

Ijoma Maluza
Director

Date: 28 May 2021

Blue Prism Cloud Limited

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 OCTOBER 2020**

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Ijoma Maluza

Ijoma Maluza
Director

Date: 28 May 2021

Blue Prism Cloud Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE PRISM CLOUD LIMITED

Opinion

We have audited the financial statements of Blue Prism Cloud Limited (the 'company') for the period from 1 June 2019 to 31 October 2020, which comprises the Statement of Comprehensive Income, Balance sheet, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Blue Prism Cloud Limited

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE PRISM
CLOUD LIMITED (CONTINUED)**

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report

Blue Prism Cloud Limited

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE PRISM
CLOUD LIMITED (CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

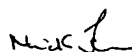
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Other matters

The Company's financial statements for the year ended 31 May 2019 were not required to have a statutory audit as it was entitled to audit exemption from the provisions of section 477 of the Companies Act 2006 and no member or members had requested an audit pursuant to section 476 of the Act. Accordingly corresponding figures for the year ended 31 May 2019 are unaudited.



Nick Jones
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
28 May 2021

Blue Prism Cloud Limited

**STATEMENT OF COMPREHENSIVE INCOME FOR
THE PERIOD ENDED 31 OCTOBER 2020**

	Note	Period Ended 31 October 2020	Unaudited Year Ended 31 May 2019
		£	£
Turnover		15,860,755	9,412,317
Cost of sales		(2,263,309)	(1,427,071)
Gross profit		13,597,446	7,985,246
Operating expenses		(21,675,682)	(12,484,000)
Exceptional expenses	16	(24,410,000)	-
Total operating expenses		(46,085,682)	(12,484,000)
Operating Loss		(32,488,236)	(4,498,754)
Interest receivable and similar income		-	3,281
Interest payable and similar costs		(21,000)	(48,182)
Loss before tax		(32,509,236)	(4,543,655)
Income tax credit		697,578	269,581
Loss for the financial period/ year		(31,811,658)	(4,274,074)

There was no other comprehensive income for 2020 (2019: £NIL).

The notes on pages 11 to 19 form part of these financial statements.

Blue Prism Cloud Limited
REGISTERED NUMBER: 08534024

**BALANCE SHEET AS
AT 31 OCTOBER 2020**

	Note	31 October 2020 £	Unaudited 31 May 2019 £
Fixed assets			
Tangible assets	4	-	33,178
Investments	5	8	8
		<u>8</u>	<u>33,186</u>
Current assets			
Debtors: amounts falling due within one year	6	2,383,730	3,116,046
Cash at bank and in hand	7	1,799,847	474,803
		<u>4,183,577</u>	<u>3,590,849</u>
Creditors: amounts falling due within one year	8	(14,832,835)	(7,539,249)
		<u>(10,649,258)</u>	<u>(3,948,400)</u>
Net current liabilities		(10,649,258)	(3,948,400)
Total assets less current liabilities		(10,649,250)	(3,915,214)
Creditors: amounts falling due after more than one year	9	(333,846)	-
		<u>(10,983,096)</u>	<u>(3,915,214)</u>
Net liabilities		(10,983,096)	(3,915,214)
Capital and reserves			
Called up share capital	10	215	182
Share premium account	11	722,344	388,601
Profit and loss account	11	(11,705,655)	(4,303,997)
Total capital and reserves		(10,983,096)	(3,915,214)

Blue Prism Cloud Limited
REGISTERED NUMBER: 08534024

BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2020

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime as set out within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

Ijoma Maluza

Ijoma Maluza
Director

Date: 28 May 2021

The notes on pages 11 to 19 form part of these financial statements.

Blue Prism Cloud Limited
REGISTERED NUMBER: 08534024

**STATEMENT OF CHANGES IN
EQUITY AS AT 31 OCTOBER 2020**

	Share capital £	Share premium £	Retained earnings £	Total equity £
Equity as at 30 May 2018 (unaudited)	177	338,606	(57,012)	281,771
Comprehensive loss during the period	-	-	(4,274,074)	(4,274,074)
Issue of share capital	5	49,995	-	50,000
Share based payment charge	-	-	27,089	27,089
Equity as at 30 May 2019 (unaudited)	182	388,601	(4,303,997)	(3,915,214)
Comprehensive loss during the period	-	-	(31,811,658)	(31,811,658)
Exercise of share options	33	333,743	-	333,776
Share based payment and similar charges (note 16)	-	-	24,410,000	24,410,000
Equity as at 31 October 2020	215	722,344	(11,705,655)	(10,983,096)

The notes on pages 11 to 19 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2020

1. General information

Blue Prism Cloud Limited is a private limited company, limited by shares, incorporated in England and Wales. The address of the registered office is 2 Cinnamon Park Crab Lane, Fearnhead, Warrington, England, WA2 0XP. During the period, the company name was changed from Thoughtonomy Ltd to Blue Prism Cloud Limited.

The financial statements are presented in Sterling, which is the functional currency of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has prepared single entity financial statements as the exemption in section 399 of the Companies Act 2006 from preparing consolidated financial statements has been adopted. Other exemptions adopted by the Company include not presenting a cash flow statement, share based payment note and financial statement risk note.

The period covered is 1 June 2019 to 31 October 2020.

The name was changed during the period to be consistent with other group company names.

The comparative numbers are unaudited and include some reclassifications to be consistent with current period classification of results and balances which were considered to be more appropriate.

Going concern

The company is a subsidiary of Blue Prism Group plc ("The Group"). Blue Prism Group plc has prepared forecasts and budgets, which include the forecast results and balances of Blue Prism Cloud Limited, for the foreseeable future. These forecasts and budgets demonstrate that the Group is able to meet its financial obligations and liabilities as and when they fall due for the foreseeable future.

The Directors have received a letter of support for the period of at least 15 Months from the date of approval of the company's financial statements to make available such financial resources that are necessary to enable the company to continue its normal operating activities as a going concern and to meet its financial obligations as they fall due for the foreseeable future;

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 15 months from the date of approval of the financial statements. The Directors recognise that the COVID-19 pandemic does create risks and uncertainties. The primary revenue stream of the Group has an annual recurring element with a 98% renewal rate. This combined with a strong degree of market and geographical diversification provides a strong level of certainty of the revenue for at least a 15 month period. The Group raised gross proceeds of £100.0m via an equity issue in April 2020 to provide significant headroom in the event of prolonged disruptions relating to the COVID-19 pandemic. To date the group has not been significantly impacted. Therefore taking account of the Company's current cash balances, access to additional resources and assessing the sensitised financial forecasts and budgets the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

The following principal accounting policies have been applied:

2.2 Revenue

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

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

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

License and support income

Revenue from license fees is recognised over the period to which the license relates.

Professional services income

Revenue from professional services is recognised in line with the percentage of completion of the project.

2.3 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%
Computer equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Investment in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.5 Financial instruments

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

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. A provision is established when there is objective evidence that the company will not be able to collect all amounts due. They are subsequently measured at amortised cost.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

At each period end foreign currency monetary items are retranslated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Differences are taken to the statement of comprehensive income as foreign exchange gains/ losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.7 Share based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

For the entries noted above the corresponding entry is reflected within retained earnings.

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.10 Exceptional expenses

Exceptional expenses are items considered to be one-off in nature and are of such significance to the performance of the Company due to their size, nature, or incidence that the board considers it necessary to show them separately on the face of the statement of comprehensive income

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.11 Taxation

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

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income.

3. Employees

The average monthly number of employees, including directors, during the period was 55 (2019 - 46).

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 OCTOBER 2020**

4. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 June 2019 (unaudited)	4,545	55,322	59,867
Additions	-	14,077	14,077
At 31 October 2020	<u>4,545</u>	<u>69,399</u>	<u>73,944</u>
Accumulated depreciation			
At 1 June 2019 (unaudited)	1,414	25,275	26,689
Charge for the period	3,131	44,124	47,255
At 31 October 2020	<u>4,545</u>	<u>69,399</u>	<u>73,944</u>
Net book value			
At 31 October 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 May 2019 (unaudited)	<u>3,131</u>	<u>30,047</u>	<u>33,178</u>

5. Fixed asset investments

The Company owns 100% of the share capital of Blue Prism Cloud Inc (formerly known as Thoughtonomy Inc). The registered office is 10 E 53rd St Fl 6, 6th Floor, New York, 10022-5375, United States.

	Investments in subsidiary companies £
Cost at 31 May 2019 unaudited	8
Additions	-
At 31 October 2020	<u>8</u>
Net book value	
At 31 October 2020	<u>8</u>
At 31 May 2019 (unaudited)	<u>8</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 OCTOBER 2020**

6. Debtors

	2020	Unaudited 2019
	£	£
Trade debtors	2,238,676	2,142,582
Other debtors	98,043	548,526
Prepayments and accrued income	47,011	424,938
	2,383,730	3,116,046

7. Cash and cash equivalents

	2020	Unaudited 2019
	£	£
Cash at bank and in hand	1,799,847	474,803
	1,799,847	474,803

8. Creditors: Amounts falling due within one year

	2020	Unaudited 2019
	£	£
Debt facility	-	1,730,000
Trade creditors	792,390	571,365
Amounts owed to group companies	7,369,653	-
Other taxation and social security	208,010	654,353
Other creditors	25,621	22,823
Accruals	1,215,354	386,831
Deferred income	5,221,807	4,173,877
	14,832,835	7,539,249

Amounts owed to group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The debt facility held with SVB was repaid in full during the current period.

9. Creditors: Amounts falling due after more than one year

	2020	Unaudited 2019
	£	£
Deferred income	333,846	-
	333,846	-

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 OCTOBER 2020**

10. Share capital

	2020	Unaudited 2019
	£	£
Allotted, called up and fully paid		
2,153,987 (2019 - 1,815,875) Ordinary shares of £0.0001 each	215	182

11. Reserves**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the company's shares are issued at an amount in excess of nominal value.

Share based payment reserve

This reserve relates to the fair value of the share options granted which has been charged to profit or loss over the vesting period of the options.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

12. Operating lease commitments

At 31 October 2020 the Company had property operating lease commitments as follows:

	2020	Unaudited 2019
	£	£
Not later than one year	-	234,119
	-	234,119

13. Related party transactions

During the period the company paid directors remuneration of £792,495 (2019: £576,817).

On 17th July 2019 the share capital of the company was acquired by Blue Prism Group plc. As a result, a charge of £24,410k was recognised as an exceptional expense in relation to the contingent consideration due to the former owners. A payment of £333,776 was also made to former employees of the Company (including key management personnel) in relation to share options that were exercised. This is disclosed in further detail in note 16.

14. Controlling party

The ultimate controlling party at the period-end is Blue Prism Group plc by virtue of share ownership, since 17 July 2019. The address of the registered office is 2 Cinnamon Park Crab Lane, Fearnhead, Warrington, England, WA2 0XP.

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 OCTOBER 2020**

15. Post balance sheet events

There are no post balance sheet events.

16. Share based payments

On 17 July 2019 the share capital of the company was acquired by Blue Prism Group plc. The consideration that Blue Prism Group plc paid to the selling shareholders comprised an upfront payment of cash and shares in Blue Prism Group plc and a contingent payment of cash and shares. The terms of the contingent consideration included conditions making a portion of the consideration contingent upon continued employment of the CEO and certain other key individuals. As the consideration is automatically forfeited upon termination of employment for these individuals within a specified period and given the relevant magnitude, the contingent element of consideration has been treated as an exceptional expense. The impact on the 17-month period is an exceptional profit and loss charge of £24,410k as this represents a remuneration charge, with the corresponding amount being credited to retained earnings.

Upon acquisition, the following amounts were paid as a result of the share options exercised:

- 333,776 shares were issued resulting from option exercise, the total amount paid was £1 per share totaling £333,776.
- 4,336 shares were from the exercised in relation to warrants, the total amount paid was £0.0001 per share (i.e. nominal value).

Nominal value of each share is £0.0001 per share.