

Company Registration No. SC331999 (Scotland)

VISIATIV CONSULTING UK LIMITED
FORMERLY KNOWN AS ABGI-UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

VISIATIV CONSULTING UK LIMITED

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VISIATIV CONSULTING UK LIMITED

COMPANY INFORMATION

Directors	Mr S Henderson Mr A J Taylor Visiativ SA Visiativ Conseil
Secretary	Mr A J Taylor
Company number	SC331999
Registered office	6 Atholl Crescent Edinburgh Scotland EH3 8HA
Auditor	Consilium Audit Limited 169 West George Street Glasgow Scotland G2 2LB

VISIATIV CONSULTING UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair Review of the Business

The Company's turnover for the year has increased by 11% from £5.8 million to £6.4 million. Adjusting for goodwill amortisation and recharges from our parent company underlying operating profit has been sustained which is especially encouraging given the continued investment we make in people to achieve year on year growth both organically and through acquisition. During the course of the year ended 31 December 2022 employee numbers fell to 60 (2021: 70) and this was largely a result of an internal review conducted on a number of areas of the business to streamline the cost base of the company. At the year end the Company had shareholder's funds of £5.3 million compared to £5.0 million at the previous year end. Net current assets have substantially improved and this is mainly attributable to the timing of claims being completed by clients. With many clients adjusting to a post pandemic world the timing of claims was pushed back with a higher proportion being completed in the last quarter of the financial year and therefore caught in work in progress.

Description of Principal Risks and Uncertainties

As with all other companies in the R&D consultancy sector, the main risk to continued growth and profitability remains competition for existing and new clients from other companies in the industry.

Over the past six months there has been a significant amount of focus on the UK R&D scheme with HMRC aiming to raise the integrity level to prevent perceived abuse of the scheme. Following consultation, HMRC appear to have taken two major steps forward and these are:

a) Increased level of enquiry

As has been well documented in the press, there has been a significant increase in the number of claims being subject to further review by HMRC. We welcome this increased level of scrutiny as this will go some way to ensure that the benefits of the scheme flow to the companies that the legislation was set up to help.

b) Changes to scheme rules and claim administration

In addition, there are a number of significant changes which came into force on the back of the 2023 Spring Statement that significantly change the UK R&D scheme rules. These changes impact the rates of tax benefits for all sizes of company but also in the way that companies and advisers lodge the R&D claim information with HMRC. The single biggest change is the mandated requirement to submit a technical narrative in support of the eligible expenditure captured in the CT600. As a company we are well placed to adapt to this as for each R&D claim we are involved in a detailed technical narrative is prepared by one of our inhouse consultants all of whom have the relevant industry experience for the clients they work with.

To be at the forefront of the changes to the scheme we have actively participated in recent consultations to shape the future of the scheme and hear first-hand from HMRC at the regular Research and Development Communication Forum. We have also bolstered our management team by bringing in Douglas Reid as tax director to navigate our way through the significant amount of change we foresee for both us as advisers but also to safeguard our clients. This also provides us with a strategic advantage in the marketplace.

Financial Risk Management Objectives and Policies

The Company makes little use of financial instruments. Exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

On behalf of the board

Mr A J Taylor
Director
6 July 2023

VISIATIV CONSULTING UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company is the provision of R&D tax credit consultancy services.

On 4 April 2023 the company changed its name from ABGI-UK Limited to Visiativ Consulting UK Limited.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Mr S Henderson

Mr A J Taylor

Mr C N Anderson

(Resigned 31 December 2022)

Visiativ SA

Visiativ Conseil

Auditor

The auditor, Consilium Audit Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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;
- 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.

Statement of disclosure to auditor

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

VISIATIV CONSULTING UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

Mr A J Taylor
Director

6 July 2023

VISIATIV CONSULTING UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISIATIV CONSULTING UK LIMITED

Opinion

We have audited the financial statements of Visiativ Consulting UK Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

VISIATIV CONSULTING UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VISIATIV CONSULTING UK LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with directors and management and from our knowledge of the regulatory environment relevant to the company.
- We assessed the extent of compliance with laws and regulations through making enquiries of management and inspecting legal correspondence
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud.
- To address the risk of fraud through management bias and override of controls, we tested journal entries to identify unusual transactions, we assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and we investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

VISIATIV CONSULTING UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VISIATIV CONSULTING UK LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

David Holt (Senior Statutory Auditor)
For and on behalf of Consilium Audit Limited
Statutory Auditor

169 West George Street
Glasgow
Scotland
G2 2LB

Date 11 July 2023

VISIATIV CONSULTING UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	as restated £
Turnover	3	6,433,558	5,785,210
Administrative expenses		(6,323,883)	(5,049,969)
Other operating income		459,955	671,107
Operating profit	4	569,630	1,406,348
Interest receivable and similar income	8	148,950	445,000
Interest payable and similar expenses	9	(69,886)	(53,749)
Profit before taxation		648,694	1,797,599
Tax on profit	10	(265,203)	(271,616)
Profit for the financial year		383,491	1,525,983

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

VISIATIV CONSULTING UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		1,830,550		2,745,825
Tangible assets	11		48,163		57,186
Investments	13		3,031,943		2,965,909
			<u>4,910,656</u>		<u>5,768,920</u>
Current assets					
Debtors	15	3,734,702		2,847,554	
Cash at bank and in hand		552,310		523,561	
			<u>4,287,012</u>	<u>3,371,115</u>	
Creditors: amounts falling due within one year	16	<u>(3,342,590)</u>		<u>(3,328,743)</u>	
Net current assets			944,422		42,372
Total assets less current liabilities			<u>5,855,078</u>		<u>5,811,292</u>
Creditors: amounts falling due after more than one year	17		(499,788)		(837,983)
Provisions for liabilities					
Deferred tax liability	19	5,362		6,886	
		<u>5,362</u>	(5,362)	<u>6,886</u>	(6,886)
Net assets			<u>5,349,928</u>		<u>4,966,423</u>
Capital and reserves					
Called up share capital	21		474		460
Share premium account			442,528		442,528
Capital redemption reserve			49		49
Profit and loss reserves			4,906,877		4,523,386
Total equity			<u>5,349,928</u>		<u>4,966,423</u>

The financial statements were approved by the board of directors and authorised for issue on 6 July 2023 and are signed on its behalf by:

Mr A J Taylor
Director

Company Registration No. SC331999

VISIATIV CONSULTING UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
As restated for the period ended 31 December 2021:					
Balance at 1 January 2021	460	442,528	49	2,997,403	3,440,440
Year ended 31 December 2021:					
Profit and total comprehensive income for the year	-	-	-	1,525,983	1,525,983
Balance at 31 December 2021	460	442,528	49	4,523,386	4,966,423
Year ended 31 December 2022:					
Profit and total comprehensive income for the year	-	-	-	383,491	383,491
Issue of share capital	21	14	-	-	14
Balance at 31 December 2022	474	442,528	49	4,906,877	5,349,928

VISIATIV CONSULTING UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25		713,946		1,211,603
Interest paid			(69,886)		(53,749)
Income taxes paid			(342,000)		(307,227)
			<u> </u>		<u> </u>
Net cash inflow from operating activities			302,060		850,627
Investing activities					
Purchase of tangible fixed assets		(19,285)		(9,924)	
Proceeds on disposal of tangible fixed assets		1,239		150	
Purchase of subsidiaries		-		(2,648,139)	
Additional investment in subsidiaries		(66,034)		-	
Dividends received		148,950		445,000	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			64,870		(2,212,913)
Financing activities					
Proceeds from issue of shares		14		-	
Intercompany financing in relation to acquisition		-		1,227,176	
Repayment of bank loans		(338,195)		(328,684)	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			(338,181)		898,492
			<u> </u>		<u> </u>
Net increase/(decrease) in cash and cash equivalents			28,749		(463,794)
Cash and cash equivalents at beginning of year			523,561		987,355
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>552,310</u>		<u>523,561</u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Visiativ Consulting UK Limited is a private company limited by shares incorporated in Scotland. The registered office is 6 Atholl Crescent, Edinburgh, Scotland, EH3 8HA. The company's registration number is SC331999.

1.1 Accounting convention

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

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

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

The policies have been consistently applied other than the revenue recognition policy. More information is given below in note 1.3.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The results of Visiativ Consulting UK Limited are included in the consolidated financial statements of Visiativ SA which are available from 26 Rue Benoit Bennier, 69260 Charbonnieres-Les-Bains, France.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of consideration received or receivable for goods and services provided in the normal course of business, and it is shown net of value added tax and other sales taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is represented by revenue from contracts for the provision of R&D tax credit consultancy services. As contracts involve large contingent fee arrangements, the outcome of a transaction cannot be assessed reliably until the point that claims are ready for submission to the tax authorities. This assessment is a key judgement of the company. Please see note 27 regarding the change in accounting policy this year.

When the outcome of contracts can be estimated reliably, revenue is recognised by reference to the estimated stage of completion at the end of the reporting period. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered. Un-invoiced revenue on contracts is included as accrued income at the end of the reporting period.

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.4 Intangible fixed assets - goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least 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 the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

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

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

Fixtures and fittings	25% straight line
Computers	25% straight line

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

1.6 Fixed asset investments

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

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets and investments 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

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

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

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

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

Deferred tax

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

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

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

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

1.13 Leases

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

1.14 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

Revenue recognition

Turnover is represented by revenue from contracts from the provision of R&D tax credit consultancy services. As contracts involve contingent fee arranged, the outcome of a transaction cannot be assessed reliably until the point that claims have been passed to the accountants for submission to the tax authorities. This assessment is a key judgement of the company.

When the outcome of contracts can be estimated reliably, revenue is recognised by reference to the estimated stage of completion at the end of the reporting period.

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue

	2022	2021
	£	£
Other significant revenue		
Management fees receivable	448,833	664,122
Grants received	4,994	6,985
Sundry income	6,128	-
	<u> </u>	<u> </u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	90
Government grants	(4,994)	(6,985)
Depreciation of owned tangible fixed assets	27,085	31,561
Profit on disposal of tangible fixed assets	(16)	(150)
Amortisation of intangible assets	915,275	-
Operating lease charges	238,403	211,777
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	12,150	9,250
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	1,225	1,050
	<u> </u>	<u> </u>

6 Employees

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

2022	2021
Number	Number
60	70
<u> </u>	<u> </u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2022	2021
		£	£
	Wages and salaries	3,063,507	3,063,456
	Social security costs	341,232	313,831
	Pension costs	220,544	186,909
		<u>3,625,283</u>	<u>3,564,196</u>
7	Directors' remuneration		
		2022	2021
		£	£
	Remuneration for qualifying services	353,554	345,051
		<u>353,554</u>	<u>345,051</u>
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
		2022	2021
		£	£
	Remuneration for qualifying services	168,963	174,381
	Company pension contributions to defined contribution schemes	72,281	20,508
		<u>168,963</u>	<u>174,381</u>
8	Interest receivable and similar income		
		2022	2021
		£	£
	Income from fixed asset investments		
	Income from shares in group undertakings	148,950	445,000
		<u>148,950</u>	<u>445,000</u>
9	Interest payable and similar expenses		
		2022	2021
		£	£
	Interest on bank overdrafts and loans	35,762	41,281
	Other interest	34,124	12,468
		<u>69,886</u>	<u>53,749</u>
10	Taxation		
		2022	2021 as restated
		£	£
	Current tax		
	UK corporation tax on profits for the current period	266,727	257,503
		<u>266,727</u>	<u>257,503</u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation (Continued)

	20222021 as restated	
	£	£
Deferred tax		
Origination and reversal of timing differences	(1,524)	14,113
	<u> </u>	<u> </u>
Total tax charge	265,203	271,616
	<u> </u>	<u> </u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	648,694	1,797,599
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	123,252	341,544
Tax effect of expenses that are not deductible in determining taxable profit	174,192	-
Tax effect of income not taxable in determining taxable profit	(28,301)	(87,102)
Other movements	(3,940)	17,174
	<u> </u>	<u> </u>
Taxation charge for the year	265,203	271,616
	<u> </u>	<u> </u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2022	153,295	143,828	297,123
Additions	-	19,285	19,285
Disposals	-	(3,567)	(3,567)
At 31 December 2022	<u>153,295</u>	<u>159,546</u>	<u>312,841</u>
Depreciation and impairment			
At 1 January 2022	147,028	92,909	239,937
Depreciation charged in the year	3,674	23,411	27,085
Eliminated in respect of disposals	-	(2,344)	(2,344)
At 31 December 2022	<u>150,702</u>	<u>113,976</u>	<u>264,678</u>
Carrying amount			
At 31 December 2022	<u>2,593</u>	<u>45,570</u>	<u>48,163</u>
At 31 December 2021	<u>6,267</u>	<u>50,919</u>	<u>57,186</u>
12 Intangible fixed assets			Goodwill £
Cost			
At 1 January 2022 and 31 December 2022			2,745,825
Amortisation and impairment			
At 1 January 2022			-
Amortisation charged for the year			915,275
At 31 December 2022			<u>915,275</u>
Carrying amount			
At 31 December 2022			1,830,550
At 31 December 2021			<u>2,745,825</u>
13 Fixed asset investments		2022	2021
	Notes	£	£
Investments in subsidiaries	14	3,031,943	2,965,909
		<u>3,031,943</u>	<u>2,965,909</u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2022	2,965,909
Additions	66,034
	3,031,943
At 31 December 2022	3,031,943
Carrying amount	
At 31 December 2022	3,031,943
	3,031,943
At 31 December 2021	2,965,909
	2,965,909

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
				Direct
MSC Associates Limited	c/o Pannone Corporate LLP, 378 - 380 Deansgate, Manchester, England, M3 4LY	Provision of R&D tax consultancy serv ces.	Ordinary	100.00
IF R&D Tax Credits Limited	36b The Square, comber, Newtownards, County Down, Northern Ireland, BT23 5DU	Provision of R&D tax consultancy serv ces.	Ordinary	100.00

15 Debtors

	2022	2021 as restated
	£	£
Amounts falling due within one year:		
Trade debtors	1,554,585	1,219,373
Work in progress	1,934,020	1,158,736
Corporation tax recoverable	13,846	-
Amounts owed by group undertakings	86,083	329,041
Other debtors	146,168	140,404
	3,734,702	2,847,554
	3,734,702	2,847,554

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due within one year

		2022	2021
	Notes	£	as restated £
Bank loans	18	350,000	350,000
Trade creditors		52,059	41,694
Amounts owed to group undertakings		2,148,406	1,893,280
Corporation tax		-	61,427
Other taxation and social security		352,387	380,463
Accruals and deferred income		439,738	601,879
		<u>3,342,590</u>	<u>3,328,743</u>

17 Creditors: amounts falling due after more than one year

		2022	2021
	Notes	£	£
Bank loans	18	499,788	837,983
		<u>499,788</u>	<u>837,983</u>

18 Loans and overdrafts

	2022	2021
	£	£
Bank loans	849,788	1,187,983
	<u>849,788</u>	<u>1,187,983</u>
Payable within one year	350,000	350,000
Payable after one year	499,788	837,983
	<u>849,788</u>	<u>1,187,983</u>

The bank loan is secured by fixed and floating charges over all of the assets of the company and a guarantee in favour of the bank from Visiativ S.A.

The loan is repayable over 5 years from the date of drawdown and interest is payable at 2.1% over the Bank of England base rate.

19 Deferred taxation

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

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
Accelerated capital allowances	5,362	6,886
	<u>5,362</u>	<u>6,886</u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19	Deferred taxation	(Continued)
		2022
	Movements in the year:	£
	Liability at 1 January 2022	6,886
	Credit to profit or loss	(1,524)
	Liability at 31 December 2022	<u>5,362</u>

20	Retirement benefit schemes	2022	2021
	Defined contribution schemes	£	£
	Charge to profit or loss in respect of defined contribution schemes	220,544	186,909
		<u>220,544</u>	<u>186,909</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21	Share capital	2022	2021	2022	2021
	Ordinary share capital	Number	Number	£	£
	Issued and fully paid				
	Ordinary shares of 0.1p each	39,215	31,471	39	31
	A Ordinary shares of 0.1p each	420,981	428,725	421	429
	B Ordinary shares of 0.1p each	14,204	-	14	-
		<u>474,400</u>	<u>460,196</u>	<u>474</u>	<u>460</u>

During the year, there was an allotment of 14,204 B Ordinary shares. These were issued at par value. 7,744 A Ordinary shares were also redesignated as Ordinary shares.

All classes of shares rank pari passu in all respects. However when paying dividends the directors may differentiate between the classes of shares to which payments are being made in respect of the amount or percentage of dividend payable.

22 Operating lease commitments

Lessee

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

	2022	2021
	£	£
Within one year	118,738	136,407
Between two and five years	399,000	407,332
In over five years	399,000	498,750
	<u>916,738</u>	<u>1,042,489</u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

23 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Charges paid	
	2022	2021
	£	£
Fellow group entities (not covered by below exemption)	489,666	341,240

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2022	2021
	£	£
Fellow group entities (not covered by below exemption)	1,062,538	650,054

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021	2021
	£	£
Fellow group entities (not covered by below exemption)	86,083	323,041

Other information

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

24 Ultimate controlling party

The company's immediate parent undertaking is Visiativ Conseil. The ultimate parent undertaking and smallest group for which consolidated financial statements are drawn up is Visiativ S.A, who owns 78% of the ordinary share capital of Visiativ Conseil.

Copies of the group consolidated accounts are available to the public and may be obtained from Visiativ S.A, 26 Rue Benoit Bennier, 89260 Charbonnieres-les-Bains, France.

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

25 Cash generated from operations

	2022	2021 as restated
	£	£
Profit for the year after tax	383,491	1,525,983
Adjustments for:		
Taxation charged	265,203	271,616
Finance costs	69,886	53,749
Investment income	(148,950)	(445,000)
Gain on disposal of tangible fixed assets	(16)	(150)
Amortisation and impairment of intangible assets	915,275	-
Depreciation and impairment of tangible fixed assets	27,085	31,561
Movements in working capital:		
Increase in debtors	(873,302)	(520,006)
Increase in creditors	75,274	293,850
Cash generated from operations	<u>713,946</u>	<u>1,211,603</u>

26 Analysis of changes in net debt

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	523,561	28,749	552,310
Borrowings excluding overdrafts	(1,187,983)	338,195	(849,788)
	<u>(664,422)</u>	<u>366,944</u>	<u>(297,478)</u>

27 Prior period adjustment

Changes to the balance sheet

	As previously reported	Adjustment at 1 Jan 2021	Adjustment at 31 Dec 2021	As restated at 31 Dec 2021
	£	£	£	£
Current assets				
Debtors due within one year	2,712,871	332,374	(197,691)	2,847,554
Creditors due within one year				
Taxation	(35,837)	(63,151)	37,561	(61,427)
Net assets	<u>4,857,330</u>	<u>269,223</u>	<u>(160,130)</u>	<u>4,966,423</u>
Capital and reserves				
Profit and loss reserves	4,414,293	269,223	(160,130)	4,523,386
Total equity	<u>4,857,330</u>	<u>269,223</u>	<u>(160,130)</u>	<u>4,966,423</u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Prior period adjustment (Continued)

Changes to the profit and loss account

	As previously reported	Adjustment	As restated
Period ended 31 December 2021	£	£	£
Turnover	5,982,901	197,691	5,785,210
Taxation	(309,177)	37,561	(271,616)
Profit for the financial period	1,686,113	160,130	1,525,983

Notes to reconciliation

During the year, the Company changed its revenue recognition policy. Previously, revenue was recognised when R & D claims were submitted to the tax authorities. Under the new policy, revenue is recognised when the R & D claim is sent from the Company to the external accountant responsible for submission to the tax authorities.

The Directors regard the revised policy as providing a more accurate assessment of the point at which revenue should be recognised, as revenue is now recognised at the point in which the company has fulfilled all of its obligations and the amount of revenue can be measured with certainty.

The impact of the change in revenue recognition policy is summarised in the table above.

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