

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 2023

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 2023

The directors present the strategic report for the year ended 31 December 2023.

Fair Review of the Business

The Company's turnover for the year has reduced by 11% from £6.4 million to £5.7 million. There are two main reasons for this: firstly and proportionately the largest key driver was a reduced level of claim throughput as a result of the new process for the submission of R&D claims to HMRC, secondly, consultant capacity diverted to helping some of our clients with HMRC enquiries.

Employee numbers dropped to 52 (2022: 60) as we drove efficiencies in our sales function. At the year end the Company had shareholder's funds of £5.0 million compared to £5.3 million at the previous year end. Net current assets have reduced principally as result of organic generated cash from the business being utilised for acquisitions. We are thankful for the support of our parent company, Visiativ SA, in allowing us to defer settlement of group management charges and royalties.

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 the continued changing legislative landscape – reductions in benefits to companies in the SME sector translate to lower fees to us due to the contingent payment model.

With the perceived high level of abuse of the UK R&D relief scheme, HMRC has significantly increased the enquiry rate. Our terms of engagement and service offering includes the preparation of the claim and fully inclusive HMRC enquiry support. The consequence is that we've had to invest in more consulting staff to assist in defending clients' claims.

The new additional information form (AIF) mandated the requirement to provide prescribed technical justification for the eligible expenditure captured in the tax computation. This process was launched in August 2023.

From a company standpoint we were supportive of these change for two reasons:

- We have always focussed on substantiating any R&D claims by providing the accompanying technical justification narrative, and
- in order to complete the AIF form, it is necessary to have a tax agent reference. We have held this for several years and see this as a positive step as it allows HMRC, for the first time, to be able to track the advisor guiding and supporting the client in the preparation their R&D claim.

HMRC implemented changes in April 2023 that reduced the benefit levels for SME claims and increased the benefit levels for claims under the RDEC scheme. HMRC noted that this was to counteract the perceived poor return on investment in innovation terms compared with other G7 countries.

Following further consultation and reflecting on the outcome of the extensive enquiry campaign undertaken in April 2024, we saw the introduction of a merged scheme which sought to simplify the scheme and is largely based on the outgoing RDEC scheme. We are confident of navigating our clients through this change in the rules to allow them to access the appropriate support for staying at the forefront of innovation in their respective markets/industry sectors.

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.

VISIATIV CONSULTING UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

On behalf of the board

Mr A J Taylor
Director
13 August 2024

VISIATIV CONSULTING UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

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
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 2023

On behalf of the board

Mr A J Taylor
Director

13 August 2024

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 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2023 and of its loss 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 or the directors' report.

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

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

Responsibilities of directors

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

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

14 August 2024

VISIATIV CONSULTING UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	5,735,271	6,433,558
Administrative expenses		(6,651,327)	(6,323,883)
Other operating income		436,129	459,955
Operating (loss)/profit	4	(479,927)	569,630
Interest receivable and similar income	8	327,915	148,950
Interest payable and similar expenses	9	(67,659)	(69,886)
(Loss)/profit before taxation		(219,671)	648,694
Tax on (loss)/profit	10	(86,533)	(265,203)
(Loss)/profit for the financial year		<u>(306,204)</u>	<u>383,491</u>

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

The notes on pages 13 to 26 form part of these financial statements.

VISIATIV CONSULTING UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		915,275		1,830,550
Tangible assets	12		56,455		48,163
Investments	13		5,590,996		3,031,943
			<u>6,562,726</u>		<u>4,910,656</u>
Current assets					
Debtors	15	4,132,264		3,734,702	
Cash at bank and in hand		321,805		552,310	
		<u>4,454,069</u>		<u>4,287,012</u>	
Creditors: amounts falling due within one year	16	<u>(5,973,071)</u>		<u>(3,342,590)</u>	
Net current (liabilities)/assets			<u>(1,519,002)</u>		<u>944,422</u>
Total assets less current liabilities			<u>5,043,724</u>		<u>5,855,078</u>
Creditors: amounts falling due after more than one year	17		-		(499,788)
Provisions for liabilities					
Deferred tax liability	19	-		5,362	
		<u>-</u>		<u>5,362</u>	<u>(5,362)</u>
Net assets			<u>5,043,724</u>		<u>5,349,928</u>
Capital and reserves					
Called up share capital	21		474		474
Share premium account			442,528		442,528
Capital redemption reserve			49		49
Profit and loss reserves			4,600,673		4,906,877
Total equity			<u>5,043,724</u>		<u>5,349,928</u>

The notes on pages 13 to 26 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 13 August 2024 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 2023

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 January 2022	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	14	-	-	-	14
Balance at 31 December 2022	474	442,528	49	4,906,877	5,349,928
Year ended 31 December 2023:					
Loss and total comprehensive income for the year	-	-	-	(306,204)	(306,204)
Balance at 31 December 2023	474	442,528	49	4,600,673	5,043,724

VISIATIV CONSULTING UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25	2,636,989		713,946	
Interest paid		(67,659)		(69,886)	
Income taxes paid		(225,000)		(342,000)	
Net cash inflow from operating activities		2,344,330		302,060	
Investing activities					
Purchase of tangible fixed assets		(38,266)		(19,285)	
Proceeds on disposal of tangible fixed assets		3,799		1,239	
Purchase of subsidiaries		(2,559,053)		-	
Additional investment in subsidiaries		-		(66,034)	
Dividends received		327,915		148,950	
Net cash (used in)/generated from investing activities		(2,265,605)		64,870	
Financing activities					
Proceeds from issue of shares		-		14	
Repayment of bank loans		(309,230)		(338,195)	
Net cash used in financing activities		(309,230)		(338,181)	
Net (decrease)/increase in cash and cash equivalents		(230,505)		28,749	
Cash and cash equivalents at beginning of year		552,310		523,561	
Cash and cash equivalents at end of year		321,805		552,310	

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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 2023

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 the profit and loss account.

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 the profit and loss account.

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 2023

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 the profit and loss account, 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 the profit and loss account 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 the profit and loss account.

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 the profit and loss account.

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 2023

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 the profit and loss account 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 the profit and loss account. Debt instruments may be designated as being measured at fair value through the profit and loss account 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 2023

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 the profit and loss account 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 the profit and loss account.

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 2023

3	Turnover and other revenue	2023	2022
		£	£
	Other significant revenue		
	Management fees receivable	435,471	448,833
	Grants received	658	4,994
	Sundry income	-	6,128
		<u> </u>	<u> </u>
		2023	2022
		£	£
	Turnover analysed by geographical market		
	United Kingdom	5,735,271	6,433,558
		<u> </u>	<u> </u>
4	Operating (loss)/profit	2023	2022
	Operating (loss)/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	1,448	-
	Government grants	(658)	(4,994)
	Depreciation of owned tangible fixed assets	27,724	27,085
	Profit on disposal of tangible fixed assets	(1,549)	(16)
	Amortisation of intangible assets	915,275	915,275
	Operating lease charges	189,479	238,403
		<u> </u>	<u> </u>
5	Auditor's remuneration	2023	2022
	Fees payable to the company's auditor and associates:	£	£
	For audit services		
	Audit of the financial statements of the company	10,750	12,150
		<u> </u>	<u> </u>
	For other services		
	Taxation compliance services	1,285	1,225
		<u> </u>	<u> </u>
6	Employees		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		2023	2022
		Number	Number
		52	60
		<u> </u>	<u> </u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Employees	(Continued)	
Their aggregate remuneration comprised:		
	2023	2022
	£	£
Wages and salaries	3,103,591	3,063,507
Social security costs	346,383	341,232
Pension costs	241,404	220,544
	<u>3,691,378</u>	<u>3,625,283</u>
7 Directors' remuneration		
	2023	2022
	£	£
Remuneration for qualifying services	277,959	353,554
	<u>277,959</u>	<u>353,554</u>
Remuneration disclosed above include the following amounts paid to the highest paid director:		
	2023	2022
	£	£
Remuneration for qualifying services	190,893	168,963
Company pension contributions to defined contribution schemes	63,495	72,281
	<u>190,893</u>	<u>168,963</u>
8 Interest receivable and similar income		
	2023	2022
	£	£
Income from fixed asset investments		
Income from shares in group undertakings	327,915	148,950
	<u>327,915</u>	<u>148,950</u>
9 Interest payable and similar expenses		
	2023	2022
	£	£
Interest on bank overdrafts and loans	46,359	35,762
Other interest	21,300	34,124
	<u>67,659</u>	<u>69,886</u>
10 Taxation		
	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	91,895	266,727
	<u>91,895</u>	<u>266,727</u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Taxation	(Continued)	
	2023	2022
	£	£
Deferred tax		
Origination and reversal of timing differences	(5,362)	(1,524)
	<u> </u>	<u> </u>
Total tax charge	86,533	265,203
	<u> </u>	<u> </u>

From April 2023 onwards, the main rate of Corporation Tax rose from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19% which is a new small profits rate. Deferred tax has been calculated at a rate of 25%.

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

	2023	2022
	£	£
(Loss)/profit before taxation	(219,671)	648,694
	<u> </u>	<u> </u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	(51,667)	123,252
Tax effect of expenses that are not deductible in determining taxable profit	215,540	174,192
Tax effect of income not taxable in determining taxable profit	(77,126)	(28,301)
Other movements	(214)	(3,940)
	<u> </u>	<u> </u>
Taxation charge for the year	86,533	265,203
	<u> </u>	<u> </u>

11 Intangible fixed assets	Goodwill
	£
Cost	
At 1 January 2023 and 31 December 2023	2,745,825
	<u> </u>
Amortisation and impairment	
At 1 January 2023	915,275
Amortisation charged for the year	915,275
	<u> </u>
At 31 December 2023	1,830,550
	<u> </u>
Carrying amount	
At 31 December 2023	915,275
	<u> </u>
At 31 December 2022	1,830,550
	<u> </u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2023	153,295	159,546	312,841
Additions	12,644	25,622	38,266
Disposals	(21,670)	(53,075)	(74,745)
At 31 December 2023	<u>144,269</u>	<u>132,093</u>	<u>276,362</u>
Depreciation and impairment			
At 1 January 2023	150,702	113,976	264,678
Depreciation charged in the year	3,347	24,377	27,724
Eliminated in respect of disposals	(21,670)	(50,825)	(72,495)
At 31 December 2023	<u>132,379</u>	<u>87,528</u>	<u>219,907</u>
Carrying amount			
At 31 December 2023	<u>11,890</u>	<u>44,565</u>	<u>56,455</u>
At 31 December 2022	<u>2,593</u>	<u>45,570</u>	<u>48,163</u>

13 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	14	<u>5,590,996</u>	<u>3,031,943</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2023	3,031,943
Additions	2,559,053
At 31 December 2023	<u>5,590,996</u>
Carrying amount	
At 31 December 2023	<u>5,590,996</u>
At 31 December 2022	<u>3,031,943</u>

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

14 Subsidiaries (Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
IF R&D Tax Credits Limited	Unit 4, 405 Hollywood Road, Belfast, Country Antrim, Northern Ireland BT4 2GU	Provision of R&D tax consultancy serv ces.	Ordinary	100.00
MMP Tax Limited	1 Pioneer Court, Chivers Way, Histon, Cambridgeshire, CB24 9PT	Provision of R&D tax consultancy serv ces.	Ordinary	100.00

During the year, the company acquired the entire share capital of MMP Tax Limited.

15 Debtors 2023 2022

Amounts falling due within one year:	£	£
Trade debtors	2,003,804	1,554,585
Work in progress	1,813,801	1,934,020
Corporation tax recoverable	146,951	13,846
Amounts owed by group undertakings	16,124	86,083
Other debtors	151,584	146,168
	4,132,264	3,734,702
	4,132,264	3,734,702

16 Creditors: amounts falling due within one year 2023 2022

	Notes	£	£
Bank loans	18	540,558	350,000
Trade creditors		138,553	52,059
Amounts owed to group undertakings		3,773,732	2,148,406
Taxation and social security		309,196	352,387
Accruals and deferred income		1,211,032	439,738
		5,973,071	3,342,590
		5,973,071	3,342,590

17 Creditors: amounts falling due after more than one year 2023 2022

	Notes	£	£
Bank loans	18	-	499,788
		-	499,788

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

18 Loans and overdrafts

	2023 £	2022 £
Bank loans	540,558	849,788
Payable within one year	540,558	350,000
Payable after one year	-	499,788

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.

Interest is payable on the loan at 2.1% over the Bank of England base rate. The loan has been repaid in full post year-end.

19 Deferred taxation

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

Balances:	2023 £	2022 £
Accelerated capital allowances	-	5,362
	<u> </u>	<u> </u>
		2023
		£
Liability at 1 January 2023		5,362
Credit to profit or loss		(5,362)
		<u> </u>
Liability at 31 December 2023		-
		<u> </u>

20 Retirement benefit schemes

Defined contribution schemes	2023 £	2022 £
Charge to profit or loss in respect of defined contribution schemes	241,404	220,544
	<u> </u>	<u> </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.

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

21 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.1p each	39,215	39,215	39	39
A Ordinary shares of 0.1p each	420,981	420,981	421	421
B Ordinary shares of 0.1p each	14,204	14,204	14	14
	<u>474,400</u>	<u>474,400</u>	<u>474</u>	<u>474</u>

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:

	2023	2022
	£	£
Within one year	128,838	118,738
Between two and five years	495,960	399,000
In over five years	299,250	399,000
	<u>924,048</u>	<u>916,738</u>

23 Related party transactions

Transactions with related parties

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

	Charges paid	
	2023	2022
	£	£
Fellow group entities (not covered by below exemption)	<u>540,377</u>	<u>489,666</u>

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
Amounts due to related parties		
Fellow group entities (not covered by below exemption)	<u>2,422,768</u>	<u>1,062,538</u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

23 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
Amounts due from related parties		
Fellow group entities (not covered by below exemption)	-	86,083
	<u> </u>	<u> </u>

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, 69260 Charbonnières-les-Bains, France.

25 Cash generated from operations

	2023	2022
	£	£
(Loss)/profit for the year after tax	(306,204)	383,491
Adjustments for:		
Taxation charged	86,533	265,203
Finance costs	67,659	69,886
Investment income	(327,915)	(148,950)
Gain on disposal of tangible fixed assets	(1,549)	(16)
Amortisation and impairment of intangible assets	915,275	915,275
Depreciation and impairment of tangible fixed assets	27,724	27,085
Movements in working capital:		
Increase in debtors	(264,457)	(873,302)
Increase in creditors	2,439,923	75,274
	<u> </u>	<u> </u>
Cash generated from operations	<u>2,636,989</u>	<u>713,946</u>

VISIATIV CONSULTING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

26 Analysis of changes in net debt

	1 January 2023	Cash flows	31 December 2023
	£	£	£
Cash at bank and in hand	552,310	(230,505)	321,805
Borrowings excluding overdrafts	(849,788)	309,230	(540,558)
	<u>(297,478)</u>	<u>78,725</u>	<u>(218,753)</u>

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.