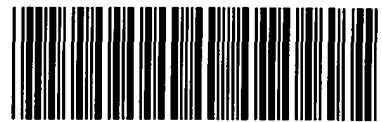

Registered number: 05666276

VANGUARDIA LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2024

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VANGUARDIA LIMITED

REPORT AND FINANCIAL STATEMENTS

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VANGUARDIA LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	J E T Griffiths S J O Prichard D J Robertson
COMPANY SECRETARY	D Conway
COMPANY NUMBER	05666276
REGISTERED OFFICE	Camden Mill Lower Bristol Road. Bath Somerset BA2 3DQ
AUDITOR	BDO LLP 55 Baker Street London W1U 7EU
BANKERS	HSBC UK Bank plc 1-3 Bishopsgate London EC2N 3AQ

VANGUARDIA LIMITED

DIRECTORS' REPORT Year ended 30 April 2024

The directors present their report and the financial statements for the year ended 30 April 2024.

PRINCIPAL ACTIVITY

The principal activity of the company is to provide acoustic and security consultancy to the entertainment market. As design practitioners, strategic thinkers and problem solvers, we continue to be at the forefront of environmental noise and vibration, air quality, building and architectural acoustics, sound system design and audio visual design.

REVIEW OF BUSINESS

The company had a successful year generating turnover of £6.1m (2023: £5.5m). The company generated the most significant proportion of revenue (51%) from projects located in the UK, followed by the Middle East (35%). The operating profit margin increased to 6% (2023: 4%) with an operating profit of £0.4m (2023: £0.2m).

PRINCIPAL RISKS AND UNCERTAINTIES AND MATTERS OF STRATEGIC IMPORTANCE

Competition – We exist in a competitive market with a high risk of commoditisation. Our strategy could be at risk if we fail to convert opportunities into profitable wins. A bid/no bid assessment is carried out for all opportunities, where client, location, service type, contract terms, alignment to strategic goals, target profit and any related risks, are considered. Approval to submit a bid must be obtained in accordance with the Global Authority Matrix. Such approval may be given subject to conditions which mitigate identified risks.

Litigation – The risk of litigation arising from failure or negligence in the acceptance, contracting for or performance of client work is mitigated through established policies on contract acceptance, rigorous technical and commercial review, training and a suitable level of PI insurance.

DIRECTORS

The directors who served during the year, and up to the date of this report, were:

M J Birchall (resigned 30 April 2024)
J E T Griffiths
S J O Prichard
D J Robertson

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

VANGUARDIA LIMITED

DIRECTORS' REPORT (continued) Year ended 30 April 2024

RESULTS AND DIVIDENDS FOR THE YEAR

The profit for the year, after taxation, amounted to £330,000 (2023: £138,000). The directors do not recommend payment of a final dividend (2023: £nil).

GOING CONCERN

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the directors have considered the company's operations and principal risks and uncertainties for the period through to 30 April 2025. Ongoing support will continue to be provided to the company due to it being part of the Buro Happold group.

As a professional services group providing a wide variety of high-end consultancy services to a broad range of markets, the Buro Happold group has both a natural resilience and an ability to adapt in response to changes in global economic conditions, socio-political events such as the conflict in Ukraine and global inflationary pressures.

The group continues to manage our resource appropriately and maintain a robust liquidity position. Future operating plans are reviewed regularly to aid timely decision-making and allow appropriate action to be taken if required.

Based on the assessment carried out in relation to the group, alongside the ongoing support provided by the group, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, consequently, continues to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial period. 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 estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

VANGUARDIA LIMITED

DIRECTORS' REPORT (continued) Year ended 30 April 2024

DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

PROVISION OF INFORMATION TO THE AUDITOR

The directors, at the time when this Directors' Report is approved, have confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

This report was approved by the board on 8 August 2024 and signed on its behalf.

David Robertson
David Robertson (Aug 8, 2024 14:09 GMT+1)

D J Robertson
Director

VANGUARDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF VANGUARDIA LIMITED

OPINION ON THE FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 April 2024 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Vanguardia Limited ("the Company") for the year ended 30 April 2024 which comprise the statement of income and retained earnings, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

OTHER INFORMATION

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

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.

VANGUARDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF VANGUARDIA LIMITED (continued)

OTHER COMPANIES ACT 2006 REPORTING

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

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

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

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

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

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

VANGUARDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF VANGUARDIA LIMITED (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework (United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006), regulations impacting labour regulations and the tax in United Kingdom, anti-money laundering regulations and data protection laws.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, Bribery Act 2010, Modern Slavery Act 2015, GDPR data regulation, employment law and Money Laundering Regulations 2017.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these;
- Considering potential fraud drivers, including financial or other pressures, opportunity and personal or corporate motivations; and
- Considering programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter, and detect fraud, and how senior management monitors those programmes and controls. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk.

Based on our risk assessment, we considered the areas most susceptible to fraud to be key areas of estimation uncertainty or judgement, for example estimations of costs to complete on long term projects and unusual journals based on our knowledge of the entity.

VANGUARDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF VANGUARDIA LIMITED (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates and judgements made by management for bias in revenue recognition, including percentage of completion based on estimated costs to complete and profitability of projects; and
- assessing other significant estimates and judgements made by management for bias including trade receivables provisions.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:

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Tim Neathercoat (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date 08 August 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

VANGUARDIA LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS**
Year ended 30 April 2024

	Note	2024 £'000	2023 £'000
TURNOVER	1,3	6,063	5,463
Operating expenses		(5,700)	(5,246)
OPERATING PROFIT BEFORE OTHER OPERATING EXPENSES		363	217
Other operating expenses	4	(8)	(18)
OPERATING PROFIT		355	199
Interest receivable from group undertakings		14	7
Interest payable to group undertakings		(3)	(1)
PROFIT BEFORE TAXATION	5	366	205
Tax on profit	8	(36)	(67)
PROFIT AFTER TAXATION		330	138
Retained earnings at start of period		1,434	1,296
RETAINED EARNINGS AT PERIOD END		1,764	1,434

All amounts relate to continuing operations.

There are no recognised gains or losses for the current or prior financial period other than as stated in the statement of income and retained earnings. Accordingly, no statement of comprehensive income is presented.

The notes on pages 11 to 22 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
At 30 April 2024

	Note	2024		2023	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	9		33		29
Investments	10		2		2
			<u>35</u>		<u>31</u>
CURRENT ASSETS					
Debtors due within one year	12	4,547		2,574	
Cash		301		230	
		<u>4,848</u>		<u>2,804</u>	
CREDITORS: Amounts falling due within one year	13	<u>(2,855)</u>		<u>(1,152)</u>	
NET CURRENT ASSETS			<u>1,993</u>		<u>1,652</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,028</u>		<u>1,683</u>
PROVISIONS FOR LIABILITIES					
Other provisions	15		(165)		(150)
NET ASSETS			<u>1,863</u>		<u>1,533</u>
CAPITAL AND RESERVES					
Called up share capital	16		27		27
Capital redemption reserve	16		4		4
Share premium			68		68
Profit and loss account			1,764		1,434
TOTAL EQUITY			<u>1,863</u>		<u>1,533</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements on pages 9 to 22 were approved and authorised for issue by the board and were signed on its behalf on 8 August 2024.

David Robertson

David Robertson (Aug 8, 2024 14:09 GMT+1)

D J Robertson
Director

The notes on pages 11 to 22 form part of these financial statements.

VANGUARDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2024

1. ACCOUNTING POLICIES

1.1 General information

Vanguardia Limited is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The address of the company's registered office is given on page 1. The company's principal activities and nature of operations are set out in the Directors' Report on page 2.

1.2 Basis of preparation of financial statements

The 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 as applicable to companies subject to the small companies regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

Reduced disclosures

As permitted by the reduced disclosure regime within FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts for financial instruments measured at amortised cost or cost less impairment, interest income/expense and net gains/losses for financial instruments measured at amortised cost; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Consolidated financial statements

The financial statements of the company are consolidated in the financial statements of its ultimate parent, Happold LLP, a Limited Liability Partnership incorporated in England and Wales. The consolidated financial statements of Happold LLP are available from its registered office, Camden Mill, Lower Bristol Road, Bath, BA2 3DQ.

Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the directors have considered the company's operations and principal risks and uncertainties as detailed in the directors' report. Ongoing support will continue to be provided to the company due to it now being part of the Buro Happold group.

As a professional services group providing a wide variety of high-end consultancy services to a broad range of markets, the Buro Happold group has both a natural resilience and an ability to adapt in response to changes in global economic conditions, socio-political events and global inflationary pressures.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2024

1. ACCOUNTING POLICIES (continued)

1.2 Basis of preparation of financial statements (continued)

Going concern (continued)

The group continues to manage our resource appropriately and maintain a robust liquidity position. Future operating plans are reviewed regularly to aid timely decision-making and allow appropriate action to be taken if required.

As part of the going concern assessment a detailed modelling exercise has been performed using a base case which has been stress-tested and sensitised. Under the sensitised model the group anticipated an adverse impact on revenue, with a corresponding reduction in direct costs. Both models include an element of discretionary spend which the group has the ability to constrain to conserve short term cash if required. Under both models, the group maintains a healthy net cash position.

The Happold LLP group has a £30m multicurrency Revolving Credit Facility ('RCF') with HSBC UK. These financial arrangements are subject to certain financial covenants which are tested every quarter. During the year, the covenant associated with the obligor group was reviewed and changes were agreed with HSBC UK Bank plc to ensure that the covenant remains appropriate as a result of growth. Amendments to the RCF terms associated with this review have been agreed with HSBC UK Bank plc post year end. If the group's results were to be in line with the sensitised model, it would not breach the revised financial covenants for a period of no less than 12 months from approval of the financial statements.

A review was performed to determine the point at which covenants would be breached. The directors consider the likelihood of this scenario arising to be remote since current trading is performing well above this. If there were a significant downward trend in results, there are additional mitigating actions available to the group and company to prevent the covenants being breached.

Based on the assessment carried out in relation to the group, alongside the ongoing support provided by the group, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, consequently, continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

1.3 Turnover

Turnover represents the fair value of amounts received or receivable for the sale of services to external customers in the ordinary nature of the business. Turnover is shown net of value added tax.

Turnover from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and subcontractor costs, as a proportion of total costs. There is no minimum stage of completion which must be reached before profit can be recognised. However, where the outcome cannot be estimated reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2024

1. ACCOUNTING POLICIES (continued)

1.3 Turnover (continued)

Turnover also includes appropriate amounts in respect of long-term work in progress as described in the long-term contracts policy below, to the extent that the outcome of these contracts can be assessed with reasonable certainty.

1.4 Long-term contracts and revenue recognition

Revenue is recognised in line with the completion of projects or if they are time and materials contracts, revenue recognition is based on agreed rates. The percentage completion is determined using the cost approach. Costs incurred to date are compared to the total project cost to completion, with revenue recognised accordingly. Profit is only recognised to the extent that the total project is assessed to be profitable. Provision is made for any future losses as soon as they are foreseen.

For contracts where turnover exceeds fees rendered, the excess is included as amounts recoverable on long term contracts, within debtors. For contracts where fees rendered exceeds turnover, the excess is included in payments on account, within creditors.

1.5 Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are translated into sterling at the rate ruling on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange gains and losses are recognised in the statement of income and retained earnings as other operating (expense)/income.

1.6 Research and development

Research and development expenditure is written off in the year in which it is incurred.

1.7 Above the line tax credits

Above the line tax credits are claimed based on a proportion of research and development expenditure incurred. Any current asset recognised in respect of the tax recoverable is recognised to the extent that it is considered probable that the asset will be recoverable in the future.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

1.9 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2024

1. ACCOUNTING POLICIES (continued)

1.9 Financial instruments (continued)

Financial assets

Trade, group and other debtors

Trade, group and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the profit or loss for the excess of the carrying value of the trade debtor over the present value of the expected future cash flows discounted using the original effective interest rate.

Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the profit or loss.

Financial liabilities

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

Trade, group and other creditors (including accruals)

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.10 Interest receivable

Interest receivable is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

1.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.12 Taxation

The taxation expense represents the sum of the current tax expense and the deferred tax expense.

Current and deferred taxation assets or liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2024

1. ACCOUNTING POLICIES (continued)

1.12 Taxation (continued)

Current taxation

Current tax is based on taxable profit for the year, with a current tax asset recognised when the tax paid exceeds the tax payable. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.13 Investments

Fixed asset investments are stated at cost and subsequently measured at cost less any accumulated impairment losses.

1.14 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements – over the life of lease or useful economic life whichever is shorter

Fixtures, fittings and equipment – 10-33% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of the reporting period. The effect of any change is accounted for prospectively.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

VANGUARDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2024

1. ACCOUNTING POLICIES (continued)

1.15 Leases

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leases

Rentals under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as incentives to sign an operating lease are accounted for as a reduction to the expense and are recognised, on a straight line basis over the lease term.

1.16 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

In producing the financial statements, the company has to make judgements and estimates that directly affect the reported amounts of turnover, expenses, assets and liabilities. These estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and assumptions concern the future and will, by definition, seldom equal the related actual results. The estimates and judgements that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Revenue recognition

The company believes that the most significant judgement is made in relation to revenue recognition. Revenue is recognised in line with the completion of projects, using the cost approach which involves estimating the total costs of projects. The company has established procedures to ensure that contracts and estimated costs to completion are reviewed regularly.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When making an assessment as to the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtor and historical experience.

VANGUARDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2024

3. TURNOVER

An analysis of turnover by destination is as follows:

	2024 £'000	2023 £'000
UK	3,107	3,185
Europe	309	384
Middle East	2,104	1,407
United States	484	442
Rest of the world	59	45
	<u>6,063</u>	<u>5,463</u>

4. OTHER OPERATING EXPENSES

	2024 £'000	2023 £'000
Foreign exchange loss	8	42
Research and development tax credit	-	(24)
	<u>8</u>	<u>18</u>

5. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

	2024 £'000	2023 £'000
Foreign exchange losses	8	42
Depreciation of tangible fixed assets	22	30
Operating lease rentals – land and buildings	76	125
	<u>106</u>	<u>197</u>

The audit fee was paid by a fellow group undertaking.

6. DIRECTORS' REMUNERATION

The directors are remunerated by fellow group undertakings.

7. EMPLOYEES

The company has no employees. Employee services are provided to the company by Buro Happold Engineers Limited.

VANGUARDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2024

8. TAX ON PROFIT

	2024	2023
	£'000	£'000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	27	41
Foreign taxation	34	-
Double tax relief	(21)	-
Adjustments in respect of prior periods	(2)	-
Total current tax	<u>38</u>	<u>41</u>
Deferred tax (see note 14)		
Origination and reversal of timing differences	(2)	1
Adjustments in respect of prior years	-	25
Total deferred tax	<u>(2)</u>	<u>26</u>
Tax on profit	<u>36</u>	<u>67</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2023: higher than) the standard rate of corporation tax in the UK of 25% (2023 – 19.49%). The differences are explained below:

	2024	2023
	£'000	£'000
Profit before tax	366	205
Profit multiplied by standard rate of corporation tax in the UK of 25% (2023 – 19.49%)	91	40
Effects of:		
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	11	6
Foreign tax credits	(21)	-
Foreign tax at different rates	34	-
Non-taxable income	-	(4)
Adjustments in respect of prior periods	(2)	25
Group relief claimed	(77)	-
Tax on profit (see note above)	<u>36</u>	<u>67</u>

VANGUARDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2024

8. TAX ON PROFIT (continued)

Factors that may affect future tax charges

The corporation tax rate increased to 25% from 1 April 2023.

The directors are not aware of any other factors that could materially affect the future tax charge.

9. TANGIBLE ASSETS

	Leasehold improvements £'000	Other fixed assets £'000	Total £'000
Cost			
At 1 May 2023	-	205	205
Additions	26	-	26
At 30 April 2024	<u>26</u>	<u>205</u>	<u>231</u>
Depreciation			
At 1 May 2023	-	176	176
Charge for year	3	19	22
At 30 April 2024	<u>3</u>	<u>195</u>	<u>198</u>
Carrying amount			
At 30 April 2024	<u>23</u>	<u>10</u>	<u>33</u>
At 30 April 2023	<u>-</u>	<u>29</u>	<u>29</u>

10. INVESTMENTS

	Unlisted investments £'000
Cost at 30 April 2023 and 30 April 2024	<u>2</u>

The company has an investment of £2,252 in VAAR Limited which is incorporated in the UK. VAAR's principal activity is designing a creative app solution linked to the events industry. The company's registered address is 9 St. Georges Yard, Farnham, GU9 7LW.

VANGUARDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2024

11. SUBSIDIARY UNDERTAKINGS

The company owns 100% of the issued share capital of the subsidiary undertaking Crowd Dynamics International Limited, which is incorporated in England and Wales and provides consultancy and software development for the management of crowds.

12. DEBTORS

	2024	2023
	£'000	£'000
Trade debtors	440	759
Other debtors	20	20
Corporation tax	118	-
Amounts owed by group undertakings	3,163	913
Prepayments and accrued income	85	94
Amounts recoverable on long term contracts	718	787
Deferred tax asset (see note 14)	3	1
	<u>4,547</u>	<u>2,574</u>

Amounts owed by group undertakings are repayable on demand.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£'000	£'000
Payments on account	333	290
Trade creditors	17	59
Amounts owed to group undertakings	2,418	596
Corporation tax	-	17
Social security and other taxes	66	131
Other creditors	4	7
Accruals and deferred income	17	52
	<u>2,855</u>	<u>1,152</u>

Amounts owed to group undertakings are repayable on demand.

14. DEFERRED TAX ASSET

	2024	2023
	£'000	£'000
At beginning of year	1	27
Credit/(charge) for year	2	(26)
	<u>3</u>	<u>1</u>

VANGUARDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2024

14. DEFERRED TAX ASSET (continued)

Deferred taxation is made up as follows:

	2024 £'000	2023 £'000
Accelerated capital allowances	3	1

15. PROVISIONS

	Loss making contracts £'000	Professional indemnity insurance £'000	Total £'000
At 1 May 2023	-	150	150
Additions	15	-	15
Utilised/released in the year	-	-	-
At 30 April 2024	15	150	165

Loss making contracts

The provision reflects management's estimate of anticipated future losses on contracts.

Professional indemnity insurance

The provision reflects management's estimate of the likely cost of claims including professional indemnity insurance excesses. The provision will be carried forward until the claims to which they relate are agreed and amounts utilised or released as appropriate.

16. SHARE CAPITAL AND RESERVES

	2024 Number	2023 Number	2024 £	2023 £
Allotted, called up and fully paid				
Ordinary A shares of 3p each	800,000	800,000	24,000	24,000
Ordinary B shares of 3p each	28,000	28,000	840	840
Ordinary C shares of 3p each	90,000	90,000	2,700	2,700
	<u>918,000</u>	<u>918,000</u>	<u>27,540</u>	<u>27,540</u>

Reserves

The company's reserves consist of retained earnings which represents the cumulative profit and loss, net of distributions plus a capital redemption reserve.

VANGUARDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2024

17. OPERATING LEASE COMMITMENTS

The company had total future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings	
	2024 £'000	2023 £'000
Payments due:		
Within 1 year	34	46
Between 2 and 5 years	13	29
	<hr/>	<hr/>
	47	75
	<hr/>	<hr/>

18. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption from disclosing transactions and balances with other wholly owned group undertakings as permitted by Section 33 'Related Party Disclosures' of FRS 102.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors consider the ultimate parent undertaking to be Happold LLP, a Limited Liability Partnership registered in England and Wales. Happold LLP is the smallest and largest Limited Liability Partnership for which consolidated accounts including Vanguardia Limited are prepared. The consolidated accounts of Happold LLP are available from its registered office, Camden Mill, Lower Bristol Road, Bath, BA2 3DQ.

The company's immediate parent undertaking at the balance sheet date was Buro Happold Engineers Limited, a company registered in England and Wales.