

Registered number: 03302507

---

**ALTRAN UK LIMITED**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

FRIDAY



\*AAE6W65C\*

A14

01/10/2021

#149

COMPANIES HOUSE

---

**ALTRAN UK LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	R J Byrne M J Simms J Terrington
<b>Company secretary</b>	J Mangan
<b>Registered number</b>	03302507
<b>Registered office</b>	22 St Lawrence Street Bath Somerset BA1 1AN
<b>Independent auditors</b>	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

---

**ALTRAN UK LIMITED**

---

**CONTENTS**

---

	Pages
<b>Strategic Report</b>	<b>1 - 10</b>
<b>Directors' Report</b>	<b>11 - 13</b>
<b>Independent Auditors' Report</b>	<b>14 - 17</b>
<b>Statement of Comprehensive Income</b>	<b>18</b>
<b>Statement of Financial Position</b>	<b>19</b>
<b>Statement of Changes in Equity</b>	<b>20</b>
<b>Notes to the Financial Statements</b>	<b>21 - 41</b>

---

## ALTRAN UK LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### Introduction

This Strategic Report has been prepared solely to provide additional information to shareholders to assess Altran UK Limited's (the "Company") strategies and the potential for those strategies to succeed.

The Strategic Report contains certain forward looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to their inherent uncertainties, including both economic and business risk factors, underlying such forward looking information.

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

#### Business Review

Altran Group was acquired by Capgemini SE on 31 March 2020.

Capgemini are a global leader in consulting, technology services and digital transformation and bring to Altran a wide portfolio of clients and opportunities for Altran to potentially exploit.

On 1 November 2020, the Company acquired the assets and liabilities of Aricent Technologies UK Limited ("Aricent UK") for consideration of £12,951,000. The acquisition resulted in 207 Aricent UK employees being transferred into the Company. The acquisition will strengthen the Company's profitability in 2021 and beyond as the Aricent UK consultants included in the TUPE exercise (circa 200) all work on contracts that are managed by a French entity in the Capgemini Group and as such are recharged to this entity at cost plus mark-up.

The Company uses the following key financial performance indicators to monitor the business:

	2020	2019
	£000's	£000's
Revenue	47,810	57,593
Gross profit	6,160	11,558
Operating (loss)/profit	(29,885)	1,587
EBITDA	(29,202)	2,129

2020 was a difficult year, owing to the Covid-19 pandemic and the Company was faced with a very challenging market.

The Covid-19 pandemic had a detrimental effect on revenue, with 2020 reporting negative growth of 17%.

From an operating margin perspective, the Company has experienced a decline in profitability in 2020 compared to 2019. This was a result of clients closing facilities at relatively short notice and the associated cost of carrying non furloughed employees. The process of rescheduling employees onto other projects is complex and not immediate and thus there is a cost attached.

In addition to the market conditions experienced in 2020, a number of exceptional costs were incurred to further increase the operating loss, most notably the write-off of the full value of the intangible asset, CoherenSE (an in-house software development) for £14,160,825 (this is covered in detail on the following page) and an impairment of the investment value of the Company's subsidiary, Information Risk Management Limited, for £11,240,000.

Information Risk Management Limited has also experienced very difficult trading conditions in 2020 and based on revised 5 year projections for Information Risk Management Limited, the Company's Directors felt that an impairment of this magnitude was both prudent and reasonable.

---

**ALTRAN UK LIMITED**

---

---

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

Further exceptional costs included stock option costs of £989,685, relating to the closure of the Altran Group stock option plan; restructuring costs of £659,022, incurred as a result of the Covid-19 related trading conditions and £226,209, relating to retention bonuses (aimed at retaining employees of the Company through the integration into Capgemini) and Covid-19 expenses.

The outlook for 2021 and beyond is brighter as the worst of the Covid-19 crisis appears to be over, coupled with an improving pipeline, as major companies with significant Research & Development budgets start to release investment funds and the benefit of being part of the Capgemini Group and having access to its wide variety of clients in a number of industries. The Company is therefore expected to return to historical levels of profitability in 2021.

The Company has immediate access to funds via the Group Cash Pool. This enables the Company to maintain liquidity and to always ensure funds are available to support ongoing operations and future developments.

**CoherenSE®**

The Company began work on the development of CoherenSE®, a software solution aimed at making possible advanced automotive features, with the ultimate aim being to manage the growing complexity of systems in a vehicle and to deliver full control of the vehicle through a modular approach.

During Q1 of 2020, there were a number of notable developments in the market that forced the Directors to re-evaluate the continued development of CoherenSE®, including:

- 1) The fact that large automotive players were investing heavily in their own solutions, which would negate the impact of taking CoherenSE® to market;
- 2) The effects of the Covid-19 pandemic brought an almost immediate cessation of any investment large automotive players were planning to undertake in 2020;
- 3) Third party analysis had identified China as a lead opportunity for CoherenSE®, but further development of this opportunity was suspended owing to the Covid-19 pandemic;
- 4) Tier 1 suppliers were unwilling to invest in any kind of Proof of Concept, with a key part of the CoherenSE® Business Plan being that any Proof of Concept would be co-funded.

In addition to the above, another key component of the CoherenSE® Business Plan was the creation of a dedicated Business Unit to manage ongoing development of CoherenSE® and to exploit it in the automotive marketplace. It was estimated that recurring costs of the dedicated Business Unit would be circa £2,000,000 per annum.

In light of the Covid-19 pandemic and deteriorating market conditions, it was deemed unlikely that any revenue would be generated throughout 2020 or 2021. Given the year on year investment required to maintain the Business Unit, the suggestion was that continued development wasn't viable.

The Directors therefore considered various options including:

- 1) Continued development;
- 2) Mothballing CoherenSE® until market conditions improved;
- 3) Complete cessation and write-off.

Given the constraints around investment, the option of continued development could not be considered. The mothballing option was not deemed to be viable as suspension of development until a later date would remove the element of disruption the Company was hoping CoherenSE® would bring to the market. This in turn would erode any perceived market leadership and eliminate first-mover advantage.

---

**ALTRAN UK LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The Directors therefore decided to cease development and to write-off the full value of the intangible asset as at 31 March 2020. This resulted in a write-down to the Profit & Loss account of £14,160,825.

**The strategic priorities of the Company include:**

- Through innovation, thought leadership, client intimacy and delivery of excellence, to deliver market leading solutions and real business value to our clients, and,
- Enhance our Digital offering to bring the best of digital, mobile and Internet of Things ("IoT") capabilities to clients who are going through a digital transformation and/or delivering digital services. Bring innovative solutions increasing sprint velocity and reduced time-to-market with confidence of quality and customer experience.

**The market itself is indicating a strong appetite for technology in an ever increasing data-driven economy. This in turn, drives spending in Engineering Research & Development (ER&D), including:**

- Technology forming a key driver in manufacturing, operations and marketing business transformations;
- Innovation in Engineering and IT services, with automation and augmented intelligence;
- Heightened importance placed on cyber; and technology being applied to drive cost competitiveness;

The business is well positioned to capitalise on market opportunities owing to:

- A talented resource pool, with access to global capability, local touch, global reach;
- Innovative solutions, based on next generation Data Analytics and Artificial Intelligence;
- Best-in-class combination of agile delivery and industrialisation.

---

## ALTRAN UK LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### Principal risks and uncertainties

The principal risks and uncertainties of the Company are as follows:

**Economic risk:** this includes the impact on financial position and performance due to a downturn in the markets the Company operates in and the general, macroeconomic environment. The Company monitors and anticipates as far as possible the development and outcomes of these risks and takes mitigating actions accordingly.

**Competition risk:** arises as the ER&D consulting and services business is highly competitive. The competitive environment is monitored to assess the weight, strengths and weaknesses of the main players. Client satisfaction is also a key priority to ensure long-term relationships are maintained.

**Employee risk:** arises given the value placed on the human capital of the Company and the Company's ability to attract, train and retain employees with the necessary technical expertise. The quality of human resource management and employee commitment is monitored very closely and a significant number of initiatives and working groups are in place to drive employee engagement.

**Technological risk:** arises as new technologies and new practices inevitably expose the Company to new risks. Similarly, the risks of cyber criminality could lead to loss of data, disruption to projects or could impact the reputation of financial health of the Company. Business continuity procedures have been implemented and a global program is in place to mitigate the risk of cyber criminality on its main systems. Where there is technological change, the Company looks to be at the forefront of the change in order to best serve its customers.

The directors take responsibility for maintaining systems of internal control to manage and mitigate these risks. The Company maintains a neutral stance on the political implications of the UK's departure from the EU. As a global leader in consulting, technology services and digital transformations, the Company is fully committed to cooperating with its clients to make any necessary changes in the way they operate, in order to accommodate the regulatory, legal or fiscal changes heralded by the United Kingdom's departure from the European Union ("Brexit").

The Company's workforce includes a small amount of EU nationals and based on the statements made by the UK Government, the assumption is that these people will continue to be allowed to work in the UK unaffected for an interim period following Brexit. However, it should be noted that with changes in immigration criteria, the growth in skilled employees from non-EU countries is likely to increase.

#### Covid-19 Pandemic

The Covid-19 pandemic caused a certain amount of disruption to the Company, but owing to the crisis initially affecting our European counterparts, detailed plans were able to be put in place early, which ensured that the impact on the Company was not overly disruptive.

The decision to switch all employees from being office based to homeworkers was taken in mid March, so by the time the UK Government announced the "lockdown" on 23 March 2020, all employees were geared up to work remotely. A large number of employees already had the ability to work from home, so the key was to ensure that all back office staff were enabled to work remotely to ensure that all internal controls were maintained.

The Company's business is spread over several offices in the UK, so management of the business has always relied on telephone calls, emails, online meetings, teleconferences and other online media. Therefore, the switch to homeworking had little or no effect on the way the business was being managed. Any face to face meetings switched to Microsoft Teams, Skype or Webex, with minimal disruption.

All internal controls remained fully in force and fully operational. There was no need for any changes to internal processes or procedures as the business was set up to operate remotely. All approval requirements across all levels of the business remained as they were, pre Covid-19.

---

**ALTRAN UK LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

With regard to the wellbeing of our employees, the respective HR Partners maintained communication with all employees through regular updates, being available for one to one meetings (via teleconference) with any employees who were finding homeworking difficult. The wellbeing of our employees remains one of the top priorities for the Company and we strive to ensure that all employees are fully supported at all times.

From a business perspective, a large portion of the Company's revenue relates to development and testing, with this work generally being undertaken remotely. A number of these projects are considered to be critical to national infrastructure and thus workers have "critical worker" status. This ensured continuation of such projects. The impact of Covid-19 has therefore been minimal on this part of the business.

The pandemic did create disruption within the Aerospace and Automotive industries, most notably where consultants had to be based on clients' premises. For the small number of clients who closed their factories or premises, projects being undertaken were put on hold, with future projects also being jeopardised. For consultants working on these projects, it was extremely difficult to move them onto other projects and therefore they were placed onto the government-backed furlough scheme. It is the continued intention of the Company to protect the jobs of all staff and gradually the majority of staff were able to return to full-time work.

In summary, the operational disruption from Covid-19 was minimal, owing to careful planning helped by advance warning from our colleagues in Europe. Whilst the Company endured a difficult year in 2020, it ensured that it operated in a manner that protected the interests of all its employees at all times, whilst ensuring that the heart of the business was suitably protected and intact and organised in such a way that it has been able to come through the crisis and be in a position to exploit all opportunities that are available in 2021.

**Directors' statement of compliance with duty to promote the success of the Company**

The Directors of the Company always look to act in the best interests of its shareholders and its key stakeholders. All decisions that affect the ongoing health of the Company and its future prosperity will always be given very careful consideration and will always be made in good faith.

Effective risk management underpins the delivery of the Company's objectives and goals and is essential to generate sustainable shareholder value, to protect the Company's reputation and to provide its employees with a rewarding and challenging environment in which to work. The Directors use risk management as the identification, assessment and prioritisation of risks, followed by the application of resources to minimise, monitor and control the probability and/or impact of an event occurring.

The Directors maintain a Risk Register, which identifies the main risks facing the Company, the consequences of the risk occurring and the actions taken to mitigate the risk. Each identified risk is allocated to a member of the senior management team, with oversight from a Director, who in turn will have responsibility for managing that risk.

The Directors have overall responsibility for the Company's system of risk management and internal controls and for determining the degree of risk which it considers appropriate and acceptable in pursuit of the Company's strategic objectives.

The Directors meet quarterly as part of a Governance Board to review the risks and to carefully consider the likelihood of any risk occurring and the impact it could have on the business. Each Director will be responsible for providing proposed or current mitigation. The areas of risk range from the development of intangible assets, the ability to undertake government classified projects, change of Enterprise Resource Planning system, GDPR, accreditations, Brexit, major pandemic, cyber security, scarcity of resources, regulatory compliance, succession planning, etc. The Directors ensure that regular reviews of compensation and benefits are undertaken to remain competitive and support retention of staff.



---

**ALTRAN UK LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The Directors also oversee regular reviews of make/buy decisions in terms of available skills, providing a distinction between the skills the Company looks to hire for its permanent staff compared to the roles that can be fulfilled by freelancers.

To further protect/reassure stakeholders, including shareholders, clients, suppliers and employees, the Company holds a number of accreditations, all of which are subject to external audit, confirming that the Company meets specific industry standards.

**ISO 27001** – this accreditation applies to specific IT network, storage and access facilities and the associated work that is undertaken, along with the data that is stored and transmitted on that network. The network has to be located within a physically segregated environment, with the employees having access to the environment being restricted to only those who need to work on the data and the systems within that network.

**ISO 9001/9100** – these accreditations provide the Company with a quality management standard which underpins business delivery. These standards cover general project delivery and the underpinning processes necessary for the projects to be delivered consistently. The 9100 accreditation provides specific quality standards for delivery into the Aerospace industry.

**ISO 14001** – this accreditation provides environmental management standards and encompasses waste management and energy efficiency. It is currently applied to a number of the Company's offices across the UK with the intent being to extend the accreditation across the full UK estate in the near future.

**Statement S172**

The Board of the Company consider that they have adhered to the requirements of section 172 of the Companies Act 2016 (the "Act") and have, in good faith, acted in a way they consider would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so, have had regards to and recognised the importance of considering all stakeholders and other matters (as set out in s.172 (1) (a-f) of the Act) in its decision-making.

The Company promotes the highest standards of governance and ensures that these standards cascade throughout the company. The Board believes that The Company's governance is best achieved by delegation of its authority to its CEO and the Company's leadership team, subject to the application of specific limits as stated in our quality manual and group policies.

Guiding principles are in place for the relationship with Capgemini Group and Capgemini Board. This framework promotes full and effective interaction across all levels of the company and to support the delivery of strategy and business objectives within a framework of best corporate governance practice.

Through working collaboratively with management and listening to feedback from the company's main stakeholders, the Board believes that the Company is well positioned to respond to a changing and highly uncertain environment.

The table on the next page sets out the Company's key stakeholders and provides examples of how the Board has engaged with them in the year, as well as how they have been considered in the decision-making process. These matters have included:

- likely long-term consequences;
- impact on employees;
- relationships with our customers, employees, regulators, etc;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly for all stakeholders.

## ALTRAN UK LIMITED

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Who	Why	How	What	Outcomes
<p>Capgemini Group:</p> <p>Capgemini Group in UK</p> <p>Capgemini Group in Europe</p> <p>Capgemini Group Globally</p>	<p>Capgemini Group is our ultimate shareholder. Their continued support and guidance are key for us to align with the Group's strategy.</p> <p>We create value for our shareholders by generating strong and sustainable results that translate into Net Equity and ultimately dividends paid.</p>	<p>As part of the Capgemini Group, we monitor the implementation of the cascaded strategy from the Group and meet the KPI targets set by Group. Monitoring is ensured through:</p> <ul style="list-style-type: none"> <li>• monthly management meetings</li> <li>• quarterly business performance reviews</li> <li>• other ad-hoc meetings and communications on specific topics</li> <li>• internal audit self-assessment reviews</li> </ul> <p>In addition, the strategy around Industries, client portfolios and offers to clients is influenced at Group level. Altran UK's portfolio and expertise is embedded within the long-term Group strategy on growth.</p>	<p>Our budgets and regular forecasts set up the targets that the Company needs to achieve in terms of the main KPIs and drivers. Amongst others:</p> <ul style="list-style-type: none"> <li>• revenue (external and internal)</li> <li>• direct margin</li> <li>• gross margin</li> <li>• utilisation of resources</li> <li>• DSO / cashflow</li> </ul> <p>We also prepare and present a mid-term plan focused on the subsequent 5 years.</p>	<p>Our governance, values and strategy are directly aligned with those of the Capgemini Group.</p>
Customers	<p>Customers are at the heart of our business.</p> <p>Our service offer adapts over time to match the needs of our clients.</p> <p>The Company judges itself on</p>	<p>The Company aims to create long-term partnerships with its clients to continuously align with their needs, providing suitable and reliable solutions to their challenges.</p>	<p>We provide our clients with:</p> <ul style="list-style-type: none"> <li>• analytics and insights to accelerate their business and transform data into value</li> <li>• system and data</li> </ul>	<p>As a result of the success in partnering with our clients, we have gained understanding of their needs, and been able to support them over the years and intend to do so in the long run.</p>

## ALTRAN UK LIMITED

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	the value returned to its clients.	We are constantly dedicated to refining what we do and delivering against our promises.	<p>engineering to build robust IT capabilities and data driven systems for the digital world</p> <ul style="list-style-type: none"> <li>• complex application management to maximise the value of their complex application portfolios</li> <li>• digital landscape, so their technology infrastructure and their information are fit for future challenges and opportunities.</li> </ul>	We pride ourselves in maintaining enduring relationships with the vast majority of our clients.
Employees	Our employees are the soul of our company. They define who we are. We pride ourselves on our positive culture. The way our employees collaborate with each other and with our clients provides Altran UK's greatest strength.	We continue nurturing the Company's Culture as we grow, investing in our staff in all ways possible (training, benefits, social events), and keeping all staff fully engaged in all aspects of the business. It is Altran UK's positive and collaborative culture, helping to attract and retain high quality, motivated and diverse staff, that differentiates Altran UK from its competition.	<p>Our leadership team meets regularly with all employees in the respective offices, in interactive events. It is through these and other tools (Connections, evening meetings, etc) that the leadership team ensures that it is close to the main topics of concern and interest for our employees.</p>	<p>As a consequence of this continued engagement with our employees, a number of actions have been implemented in 2020:</p> <ul style="list-style-type: none"> <li>• Flexible benefits packages adapted to the different geographies.</li> <li>• solutions to allow staff to work efficiently and effectively as part of international teams.</li> <li>• promoted social and sports events</li> </ul>

## ALTRAN UK LIMITED

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Regulators/Government	In the several geographies we work within, we interact constructively with the respective government and regulatory bodies, from tax authorities, to councils, Companies House, etc.	The leadership team and the delegated employees ensure continued improvement in all processes and actions that are required to comply with all reporting and payment deadlines related to the business activities.	We count on regular self-assessment reviews, and on the support of experts in different areas (tax, health and safety, legal advisors, etc) to evaluate and ensure that we excel in our relationship with all regulators and government bodies.	<ul style="list-style-type: none"> <li>• BSI ISO 9001/9100</li> <li>• BSI ISO 27001</li> <li>• BSI ISO 14001</li> <li>• internal audit self-assessment</li> <li>• statutory audit</li> <li>• regular tax declarations</li> <li>• participation in general and financial statistics</li> </ul>
Community/Environment	<p>Our vision states: "In today's world, change is a constant factor. Leveraging the positive potential of change is what Altran is all about. Innovation is our guiding principle- an inspiration that brings Altran to life and gives meaning in everything we do."</p> <p>This is important throughout Altran UK, its employees and the leadership team.</p>	<p>Contributing positively to a wider society enables us to create stronger communities and have a positive environmental impact.</p> <p>Our continuous improvement function, together with the leadership team and our employees, guarantee our continued focus on Altran UK's impact on both the environment and on our communities.</p>	It is our employees who decide what environmental and community related associations we get involved with or support over the course of our activities.	<ul style="list-style-type: none"> <li>• STEM Abbeyfield School Rocketry Team</li> <li>• Arthur Terry School Green Power Team</li> <li>• Astrid Charity</li> <li>• Sponsorship of IET Diamond Jubilee Scholars</li> <li>• Comic Relief</li> </ul>
Suppliers	We have a very limited pool of large international suppliers. Most of our suppliers for services and goods are local to the respective offices, and in general there is a balanced split	Altran does not have a dedicated procurement department. The specific procurement needs are identified within all the departments: IT, Training, and Marketing, Human Resources, etc.,	Our collaboration with suppliers involves affordable payment terms in line with local regulations, but also requires from them minimum compliance standards with respect to Health	The Company has obtained an excellent reputation amongst our vendors.

## ALTRAN UK LIMITED

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	between small/medium enterprises and larger corporations.	with a structured authorisation process. These departments follow guidelines and threshold limits stated in our quality manual together with clear rules for delegation of authority.	and Safety, quality, etc, as stated in our internal policies and quality manual.	
--	---	---	--	--

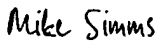
**Principal decisions**

We define principal decisions as both those that are material to the Group, but also those that are significant to any of our key stakeholder groups. In making the following principal decisions the Board considered the long term outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the company.

For the year ending 31 December 2020, the Board consider that the following are good examples of principal decisions that were made in the year:

- 1) Reorganisation of the the Company Management Team. The UK COO role was discontinued, with the business being reorganized into two distinct divisions to align itself with Capgemini's UK structure. This resulted in the creation of one division to manage the aerospace, defence, automotive, energy and rail industries and another division to manage the telecommunications, infrastructure and transport industries. Each of these divisions is being led by a senior member of the UK Management Team.
- 2) Further initiatives were implemented to reduce the General & Administrative expense in the UK. These included rationalization of real estate and the continued extension of the Company's back office functions (HR, Payroll and Finance) to support IRM, whilst offering economies of scale.
- 3) In 2020 the leadership team continued to take very careful notice of employee welfare and agreed upon the continued investment and implementation of mental health and well-being programs. This decision included discussions in relation to protecting the mental health of our employees, with employee surveys being conducted on a regular basis. It was concluded that on-going investment in our employees would help deliver long-term success to the company.

The report was approved by the board of directors on 29 September 2021 and signed on behalf of the board by:

DocuSigned by:  
  
 8AFE6DFAA8DC42A...  
**M J Simms**

Director

---

## **ALTRAN UK LIMITED**

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The directors present their report and the financial statements for the year ended 31 December 2020.

#### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activity**

The principal activity of the company is that of engineering related scientific and technical consulting activities.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £27,883,385 (2019 - profit £120,459).

The directors do not recommend an interim dividend for 2020 (2019:£NIL).

#### **Directors**

The directors who served during the year were:

R J Byrne  
M J Simms  
J Terrington

#### **Future developments**

The Company is considering a transfer of its employees, assets & liabilities to Capgemini UK plc. The date is to be agreed.

---

**ALTRAN UK LIMITED**

---

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Financial instruments**

Treasury management, including currency and interest rate hedging, is undertaken as part of the overall risk management strategy of the Capgemini Group. A Euro hedge has been in place since January 2014. The Company's principal financial assets are bank balances and trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers. In order to maintain liquidity to ensure that sufficient funds are available to support ongoing operations and future developments, the Company manages its cash through the Capgemini Group cash pooling scheme.

**Research and development activities**

During the year, the Company has continued to carry out a wide range of R&D activities and worked on projects that sought to advance science and technology through the resolution of scientific and technical uncertainty. Altran strives to provide innovative products and advances in processes across multiple sectors, often in highly regulated safety critical applications. Following on from advances made in 2015, the Company has continued to develop key pieces of intellectual property such as the SPARK programming language and the COMPASS railway backup signalling system.

**Engagement with employees**

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate in line with Equality Act 2010.

Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate in line with Equality Act 2010.

The Company's policy is to consult and discuss with employees matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and face-to-face meetings with management in the quarterly satisfaction surveys and the annual engaged people workshops. Information on the Company's performance is maintained through a regular newsletter. The performance and development review process ensures employees are made aware of their individual contribution to the business during the annual appraisal and talent review process.

**Greenhouse gas emissions, energy consumption and energy efficiency**

The Company's activities involve the consumption of energy: electricity and gas used in its offices for light, heat and power, and from employee business travel by means not owned or controlled by the company. The energy consumptions and the carbon emissions during the year were 141,593 kgCO<sub>2</sub>e/ 141.6tCO<sub>2</sub>e including transmission and distribution losses emission. Other indirect emissions in connection with business travel (by air, road and rail) during the year were estimated to total 103.2 tCO<sub>2</sub>e.

Energy consumed in the form of gas and electricity is as advised by our suppliers. Business travel was estimated on the basis of vehicle mileage, rail travel expense and flight records. The carbon equivalents are based on a typical figure in common usage.

For every £1m of Revenue from activities during the year, the Company's emissions were 5.12 tCO<sub>2</sub>e.

---

**ALTRAN UK LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Matters covered in the strategic report**

The Directors have chosen to disclose information on the following, required by the Companies Act to be included in the Directors' Report, within the Strategic Report, found on pages 1 and 2:

-Information on financial risk management and policies.

**Going concern**

The Directors are considering a potential transfer of assets and liabilities of the Company to Capgemini UK plc in 2022, although no formal decision has been reached at the date of this report. Following any transfer of trade and assets, the company would continue to act as an intermediary holding company and there are no plans to liquidate the entity. On the basis that no formal decision has yet been made, the directors consider it appropriate to continue to adopt the going concern basis of preparation.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There were no events to note between the closing date for the year and the authorisation of the financial statements.

**Auditors**

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

This report was approved by the board on 29 September 2021 | 09:38 BST and signed on its behalf.

DocuSigned by:

*Mike Simms*

8AFE6DFAA8DC42A...

M J Simms  
Director



---

**ALTRAN UK LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRAN UK LIMITED**

---

**Report on the audit of the financial statements**

**Opinion**

We have audited the financial statements of Altran UK Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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**

---

**ALTRAN UK LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRAN UK LIMITED**

---

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.

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

**Matters on which we are required to report by exception**

In 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

---

## ALTRAN UK LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRAN UK LIMITED

---

#### Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 11, 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 the 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. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, employment regulation and health and safety regulation, anti-bribery laws, data protection, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to assessment of overall determined costs to complete on revenue contracts including cost overruns and contract losses.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and

---

**ALTRAN UK LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRAN UK LIMITED**

---

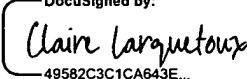
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

**Use of the audit 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:  
  
49582C3C1CA643E...  
Claire Larquetoux  
(Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD

Date 29 September 2021 | 17:33 BST

## ALTRAN UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	3	47,809,942	57,593,032
Cost of sales		(41,649,571)	(46,034,743)
<b>Gross profit</b>		<b>6,160,371</b>	<b>11,558,289</b>
Distribution costs		(4,084,254)	(3,537,964)
Administrative expenses		(4,685,135)	(5,813,513)
Exceptional administrative expenses	11	(27,275,741)	(619,604)
<b>Operating (loss)/profit</b>	4	<b>(29,884,759)</b>	<b>1,587,208</b>
Interest receivable and similar income	8	6	9,454
Interest payable and expenses	9	(1,200,892)	(1,357,183)
<b>(Loss)/profit before tax</b>		<b>(31,085,645)</b>	<b>239,479</b>
Tax on (loss)/profit	10	3,202,260	(119,020)
<b>(Loss)/profit for the financial year</b>		<b>(27,883,385)</b>	<b>120,459</b>
<b>Other comprehensive income for the year</b>			
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(27,883,385)</b>	<b>120,459</b>

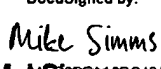
The notes on pages 21 to 41 form part of these financial statements.

**ALTRAN UK LIMITED**  
**REGISTERED NUMBER: 03302507**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	12	12,391,749	17,425,085
Tangible assets	13	380,106	155,475
Investments	14	8,743,403	19,983,403
		<u>21,515,258</u>	<u>37,563,963</u>
<b>Current assets</b>			
Debtors	15	38,137,260	30,104,506
		<u>38,137,260</u>	<u>30,104,506</u>
Creditors: amounts falling due within one year	16	(27,724,281)	(40,221,742)
<b>Net current assets/(liabilities)</b>		<u>10,412,979</u>	<u>(10,117,236)</u>
<b>Total assets less current liabilities</b>		<u>31,928,237</u>	<u>27,446,727</u>
Creditors: amounts falling due after more than one year	17	(34,089,908)	-
<b>Provisions for liabilities</b>			
Deferred tax	19	314,700	(1,765,567)
Other provisions	20	(490,008)	(134,754)
		<u>(175,308)</u>	<u>(1,900,321)</u>
<b>Net (liabilities)/assets</b>		<u><u>(2,336,979)</u></u>	<u><u>25,546,406</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,000,002	1,000,002
Share premium account	22	376,337	376,337
Other reserves	22	9,994,500	9,994,500
Profit and loss account	22	(13,707,818)	14,175,567
		<u><u>(2,336,979)</u></u>	<u><u>25,546,406</u></u>

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

DocuSigned by:  
  
M-J Simms DC42A...  
Director

29 September 2020

The notes on pages 21 to 41 form part of these financial statements.

---

**ALTRAN UK LIMITED**


---



---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	1,000,002	376,337	9,994,500	14,055,108	25,425,947
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	120,459	120,459
<b>Total comprehensive income for the year</b>	-	-	-	120,459	120,459
<b>At 31 December 2019</b>	1,000,002	376,337	9,994,500	14,175,567	25,546,406
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(27,883,385)	(27,883,385)
<b>Total comprehensive loss for the year</b>	-	-	-	(27,883,385)	(27,883,385)
<b>At 31 December 2020</b>	1,000,002	376,337	9,994,500	(13,707,818)	(2,336,979)

The notes on pages 21 to 41 form part of these financial statements.

---

**ALTRAN UK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**1. General information**

The Company is a private company limited by shares incorporated in England and Wales. The registered office is 22 St Lawrence Street, Bath, Somerset, BA1 1AN. The principal activity of the Company is that of engineering related scientific and technical consulting activities.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

The Company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 401 of the Companies Act 2006 on the basis that it is a wholly owned subsidiary undertaking whose parent undertaking is not established under the law of the United Kingdom.

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis, as Altran UK Holding Limited, has agreed to provide such financial support as may be necessary in order to enable the company to meet its financial obligations as they fall due in the foreseeable future.

The Directors are considering a potential transfer of employees, assets and liabilities of the Company to Capgemini UK plc in 2022, although no formal decision has been reached at the date of this report. Following any transfer of trade and assets, the company would continue to act as an intermediary holding company and there are no plans to liquidate the entity. On the basis that no formal decision has yet been made, the directors consider it appropriate to continue to adopt the going concern basis of preparation.

**2.3 Disclosure exemptions**

The Company is a "qualifying company" for the purposes of FRS 102 and has taken advantage of the disclosure exemption relating to the provision of a cash flow statement in accordance with FRS 102 paragraph 1.12 (b) and the disclosure of the total compensation paid to key management personnel in accordance with FRS 102 paragraph 1.12 (e).



---

**ALTRAN UK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.5 Revenue**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods. Revenue from the sale of services is recognised when the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

**2.6 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.7 Research and Development**

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

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

---

**ALTRAN UK LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.8 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.

**Key accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed below:

*Impairment of investments and goodwill*

Annually, the Company considers whether investments and goodwill are impaired. This requires estimation of future cash flows and also a selection of the appropriate discount rates in order to calculate the net present value of those cash flows.

*Uncertain tax positions*

The current tax provision includes the provision of the 2020 research and development expenditure credit, which is based on management's best estimate of the expected figure. However it is possible that the final outcome of this research and development expenditure may differ from those estimates significantly.

The directors are of the view that there are no estimates or assumptions in addition to the above which have a significant risk of causing material adjustment to the carrying amount of assets and liabilities.

**2.9 Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

**2.10 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

---

**ALTRAN UK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)**

**2.11 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**2.12 Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**2.14 Exceptional costs**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

---

**ALTRAN UK LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.15 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the revaluation model, intangible assets shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent impairment losses - provided that the fair value can be determined by reference to an active market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5	years
-------------------------	---	---	-------

**2.16 Tangible fixed assets**

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

---

**ALTRAN UK LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.16 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Fixtures fittings and equipment	-	20%
Computer equipment	-	20% and 33%
Other fixed assets	-	100%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.17 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.18 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.19 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.20 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

---

**ALTRAN UK LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. Accounting policies (continued)****2.21 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.22 Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

**2.23 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 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.

*Basic financial assets*

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs. At subsequent reporting periods, the basic financial assets receivable within one year are measured at the undiscounted amount of the cash or other consideration that the company expects to receive.

Basic financial assets that constitute financing transactions, in accordance with FRS 102 paragraph 11.13, are measured at the present value of the future receipts discounted at a market rate of interest. Basic financial assets that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

*Basic financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies that are payable within one year or less, other than those that constitute a financing transaction in accordance with FRS 102 paragraph 11.13, are initially recognised at the transaction price and, except for those financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b), are subsequently measured at the undiscounted amount of the cash or other consideration that the company expects to pay.

Basic financial liabilities that constitute a financing transaction in accordance with FRS 102 paragraph 11.13 are measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

---

**ALTRAN UK LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**2. Accounting policies (continued)****2.24 Long-term contracts**

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

**3. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Total turnover	47,809,942	57,593,032
	<u>47,809,942</u>	<u>57,593,032</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	42,446,537	49,803,288
Rest of Europe	4,657,239	6,549,052
Rest of the world	706,166	1,240,692
	<u>47,809,942</u>	<u>57,593,032</u>

---

**ALTRAN UK LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**4. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Amortisation of intangible assets	608,858	428,912
Depreciation of tangible assets	74,281	113,971
Other operating lease rentals	1,817,023	1,742,413
Foreign exchange differences	39,745	45,132
Defined contribution plans expense	899,301	884,330
RDEC tax credit	(1,017,682)	(1,250,004)
Government grant	(55,990)	(94,738)
Exceptional costs (See note 11)	27,275,741	-
	<u>27,275,741</u>	<u>-</u>

**5. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>40,750</u>	<u>18,835</u>



---

**ALTRAN UK LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**6. Employees**

Employee costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	23,405,344	21,250,661
Social security costs	2,826,922	2,513,512
Employee pension costs - defined contribution schemes	899,301	884,330
	<u>27,131,567</u>	<u>24,648,503</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Management and administration	69	73
Technical	389	331
	<u>458</u>	<u>404</u>

**7. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	824,610	1,033,813
Company contributions to defined contribution pension schemes	19,391	17,829
	<u>844,001</u>	<u>1,051,642</u>

During the year retirement benefits were accruing to 3 directors (2019 - 3) in respect of defined contribution pension schemes.

**8. Interest receivable**

	2020 £	2019 £
Interest receivable from group companies	6	9,454
	<u>6</u>	<u>9,454</u>

---

**ALTRAN UK LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**9. Interest payable**

	2020 £	2019 £
Bank interest payable	33,242	61,548
Loan interest from group undertakings	1,167,650	1,295,635
	<u>1,200,892</u>	<u>1,357,183</u>

**10. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(156,202)	259,491
Group relief	(1,094,506)	(151,504)
<b>Total current tax</b>	<u>(1,250,708)</u>	<u>107,987</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,254,784)	238,418
Adjustments in respect of prior periods	85,464	(227,385)
Effect of tax rate change on opening balance	217,768	-
<b>Total deferred tax</b>	<u>(1,951,552)</u>	<u>11,033</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(3,202,260)</u>	<u>119,020</u>

---

**ALTRAN UK LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**10. Taxation (continued)****Factors affecting tax charge for the year**

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of corporation tax to the profit before tax is as follows:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(31,085,646)	239,479
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(5,906,273)	45,501
<b>Effects of:</b>		
Remeasurement of deferred tax for changes in tax rates	217,770	(1,298)
Effect of expenses not deductible for tax purposes and depreciation	2,407,602	42,711
Deferred tax acquired on business acquisition	128,616	-
Adjustments to tax charge in respect of prior periods	(70,739)	32,106
R&D tax credits	27,738	-
Other ( tax difference on assets transferred)	(6,974)	-
<b>Total tax charge for the year</b>	<b>(3,202,260)</b>	<b>119,020</b>

**11. Exceptional items**

	2020 £	2019 £
Exceptional items	27,275,741	619,604
	<b>27,275,741</b>	<b>619,604</b>

Exceptional items within the year relate to the following; write off of the CoherenSE intangible asset (£14,160,825), Impairment loss of the investment value of Information Risk Management Limited (£11,240,000) restructuring costs (£659,022), stock options expense (£989,685), retention bonuses and Covid-19 expenses (£226,209).

## ALTRAN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 12. Intangible assets

	Development expenditure £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2020	16,598,048	6,572,119	23,170,167
Additions	800,467	9,619,422	10,419,889
At 31 December 2020	17,398,515	16,191,541	33,590,056
<b>Amortisation</b>			
At 1 January 2020	2,490,465	3,254,617	5,745,082
Charge for the year	63,683	545,175	608,858
Impairment charge	14,844,367	-	14,844,367
At 31 December 2020	17,398,515	3,799,792	21,198,307
<b>Net book value</b>			
At 31 December 2020	-	12,391,749	12,391,749
At 31 December 2019	14,107,583	3,317,502	17,425,085

Refer to Note 23. for further detail on the additions to goodwill in the year.

## ALTRAN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**13. Tangible fixed assets**

	Fixtures fittings and equipment £	Computer equipment £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At 1 January 2020	1,316,212	2,270,451	8,992	3,595,655
Additions	82,367	216,545	-	298,912
At 31 December 2020	1,398,579	2,486,996	8,992	3,894,567
<b>Depreciation</b>				
At 1 January 2020	1,204,232	2,226,956	8,992	3,440,180
Charge for the year	31,423	42,858	-	74,281
At 31 December 2020	1,235,655	2,269,814	8,992	3,514,461
<b>Net book value</b>				
At 31 December 2020	162,924	217,182	-	380,106
At 31 December 2019	111,980	43,495	-	155,475

---

**ALTRAN UK LIMITED**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**14. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2020	19,983,403
Additions	-
Disposals	-
At 31 December 2020	<u>19,983,403</u>
<b>Impairment</b>	
Charge for the period	11,240,000
At 31 December 2020	<u>11,240,000</u>
<b>Net book value</b>	
At 31 December 2020	<u>8,743,403</u>
At 31 December 2019	<u>19,983,403</u>

The impairment loss arose as a result of the write down of the Synergi licence that was held as an intangible asset on the balance sheet of IRM. The write down was due to the fact that global sales licences had not materialised, general development costs were too great, and Capgemini had indicated no further investment was likely to be provided.

**Subsidiary undertaking**

The following UK incorporated Company is a Subsidiary undertaking:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Information Risk Management Limited	11th Floor Eagle Tower, Montpellier Drive, Cheltenham, England, GL50 1TA	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2020 was (£2,731,385) and the (loss) for the year ended on that date for the subsidiary undertaking was (£3,129,318).

## ALTRAN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**15. Debtors**

	2020 £	2019 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	300,000	1,142,709
Other debtors	2,336,724	1,511,424
	<u>2,636,724</u>	<u>2,654,133</u>
<b>Due within one year</b>		
Trade debtors	14,478,858	17,595,935
Amounts owed by group undertakings	10,130,501	9,517
Other debtors	472,555	1,018,869
Prepayments and accrued income	667,629	966,237
Amounts recoverable on long term contracts	8,427,575	6,809,097
Tax recoverable	1,323,418	1,050,718
	<u>38,137,260</u>	<u>30,104,506</u>

**16. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Bank loans	-	1,201,014
Other loans	1,309,815	-
Trade creditors	16,749,829	5,807,507
Amounts owed to group undertakings	-	26,197,339
Corporation tax	117,504	117,504
Other taxation and social security	2,338,233	2,658,395
Other creditors	2,790,348	1,630,390
Accruals and deferred income	4,418,552	2,609,593
	<u>27,724,281</u>	<u>40,221,742</u>

## ALTRAN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**17. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Amounts owed to group undertakings	34,089,908	-
	<u>34,089,908</u>	<u>-</u>

**18. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>36,589,529</u>	<u>28,087,549</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>53,640,674</u>	<u>33,635,236</u>

Financial assets measured at amortised cost comprise trade debtors, intercompany balances and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, intercompany trading balances and other creditors.

**19. Deferred taxation**

	2020 £
At beginning of year	(1,765,567)
Charged to profit or loss	1,951,551
Arising on business combinations	128,716
<b>At end of year</b>	<u><u>314,700</u></u>



---

**ALTRAN UK LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**19. Deferred taxation (continued)**

The deferred tax balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	285,331	(1,787,740)
Pension surplus	29,369	22,173
	<u>314,700</u>	<u>(1,765,567)</u>

**20. Provisions**

	Other provision £
At 1 January 2020	134,753
Arising on business combinations	355,255
<b>At 31 December 2020</b>	<u><u>490,008</u></u>

The provision is for potential liabilities related to leasehold improvements made at the registered office address. The amount is deemed to be sufficient to meet the value of the liabilities at the lapse of the ten year leasehold. The liabilities have not been discounted as the effect would be immaterial to the financial statements.

---

**ALTRAN UK LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**21. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1,000,002 (2019 - 1,000,002) Ordinary shares of £1.0 each	1,000,002	1,000,002
	<u>1,000,002</u>	<u>1,000,002</u>

**22. Reserves****Share premium account**

Being the cumulative premium of the issue price of share capital above its nominal value.

**Other reserves**

The other reserve represents a capital contribution arising on a loan received from Altran UK Holding Limited.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

## ALTRAN UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**23. Business combinations**

On 1 November 2020, the business and assets of Aricent UK were acquired by Altran UK.

The assets and liabilities of Aricent UK were transferred for consideration of £12,951,000.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £	Fair value £
Tangible fixed assets	298,939	298,939
	<u>298,939</u>	<u>298,939</u>
Debtors (including deferred tax asset)	7,447,034	7,447,034
	<u>7,447,034</u>	<u>7,447,034</u>
<b>Total assets</b>	<b>7,745,973</b>	<b>7,745,973</b>
Liabilities due within one year	4,059,141	4,059,141
Provisions	355,255	355,255
	<u>355,255</u>	<u>355,255</u>
<b>Total identifiable net assets</b>	<b>3,331,577</b>	<b>3,331,577</b>
	<u>3,331,577</u>	<u>3,331,577</u>
Goodwill		9,619,423
		<u>9,619,423</u>
<b>Total purchase consideration</b>		<b>12,951,000</b>
		<u>12,951,000</u>
<b>Consideration</b>		
		£
Cash		12,951,000
		<u>12,951,000</u>
<b>Total purchase consideration</b>		<b>12,951,000</b>
		<u>12,951,000</u>

**24. Defined Contribution plans**

The amount recognised in profit or loss in relation to defined contribution plans was £899,301 (2019: £884,330).

The amount outstanding at the balance sheet date was £138,308 (2019: £130,429).

---

**ALTRAN UK LIMITED**


---



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


---

**25. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,308,654	1,261,622
Later than 1 year and not later than 5 years	2,561,861	1,952,799
Later than 5 years	1,102,500	-
	<u>4,973,015</u>	<u>3,214,421</u>

**26. Related party transactions**

In accordance with Financial Reporting Standard FRS102 (section 33), the company has taken advantage of the exemption for subsidiary undertakings, whose 100% voting rights are controlled within a group, from the requirement to disclose related party transactions.

**27. Post balance sheet events**

There were no events to note between the closing date for the year and the authorisation of the financial statements.

**28. Controlling party**

The company's immediate controlling party is Altran UK Holding Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Capgemini SE, incorporated in France. Capgemini SE is the parent of both the smallest and largest groups for which consolidated financial statements which includes the results of Altran UK Limited are drawn up. Copies of the annual report and financial statements of Capgemini SE can be obtained by writing to Capgemini SE, 11 Rue de Tilsitt, 75017 Paris, France.