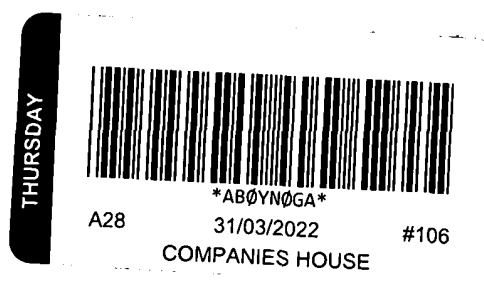

THE CONSULTING CONSORTIUM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021



THE CONSULTING CONSORTIUM LIMITED

COMPANY INFORMATION

Director J L Smith

Registered number 04144405

Registered office 6th Floor
10 Lower Thames Street
London
EC3R 6EN

Independent auditor Nexia Smith & Williamson
Chartered Accountants & Statutory Auditor
25 Moorgate
London
EC2R 6AY

THE CONSULTING CONSORTIUM LIMITED

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THE CONSULTING CONSORTIUM LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

Introduction

The directors present the Strategic Report for The Consulting Consortium Limited, 'TCC', for the year ended 30 June 2021.

Principal activities

The principal activities of the Company are the provision of both deep subject matter expertise and technology enabled services to regulated financial services businesses. The Company is predicated on the core belief that a healthy culture is the key connection between strong compliance and commercial success in financial services.

Business review

As with most businesses, the entire year has been dominated by the COVID-19 pandemic. However, after the initial period of adaptation to remote working, the impact on operations has been minimal. Although the uncertainties of the pandemic have led some new and potential clients to pause commencement of new significant pieces of work, the overall impact on activity levels has been minimal.

Future developments

The continued investment in research and development into further technology-enabled services is now having a tangible impact on the breadth of the Company's offering to both new and existing clients.

Relationships

Despite the impact of the Pandemic across the entire financial year, the Company has continued to maintain impactful collaboration with our key stakeholders, demonstrated by new client wins and repeat business from existing clients, and the continued collaboration with our technology partners.

Risks and uncertainties

The principal risks and source of uncertainty facing the Company during the year to June 2021 has have been the COVID-19 pandemic and Brexit, neither of which has had the kind of material impact that might have been feared at first. The directors regularly monitor risks and issues arising and their impact on staff and client well-being as well as financially on the business and continue to manage the business conservatively to maintain the long-term stability of the Company.

KPIs

The business saw year on year revenue decline of 11% (2020 - 48% growth), driven by the drawing to a close of a number of significant on-going major remediation projects. Despite this, gross profit increased YoY by 2%, due to ongoing focus on contract margins. Year on year EBITDA, excluding the related company loan provision, declined by 24% (2020 - EBITDA growth of 33%) driven by investment in the team.


Financial risk management

The business operates robust risk management and governance frameworks both operationally and at board level, reflected in its external quality accreditations (ISO 9001, 27001). Details of the Company's financial instruments are given in note 2.14 to the financial statements.

THE CONSULTING CONSORTIUM LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

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


Joanne Smith (Mar 31, 2022 14:09 GMT+1)

J L Smith
Director

Date: 31/03/2022

THE CONSULTING CONSORTIUM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report and the financial statements for the year ended 30 June 2021.

Results and dividends

The profit for the year, after taxation, amounted to £910,911 (2020 - loss of £575,199 after recognition of £1,977,678 related company loan provision, before which the Company made a profit of £1,402,479).

No dividends were paid or proposed in the year (2020 - £Nil).

Directors

The directors who served during the year were:

M J Park (resigned 30 September 2021)
J L Smith

Matters covered in the Strategic Report

Where necessary, disclosures relating to principal risks & uncertainties and future developments have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

Disclosure of information to auditor

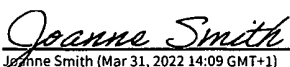
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Subsequent events

There have been no significant events affecting the Company since the year end.

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


Joanne Smith (Mar 31, 2022 14:09 GMT+1)

J L Smith
Director

Date: 31/03/2022

THE CONSULTING CONSORTIUM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

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 judgements and accounting 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSULTING CONSORTIUM LIMITED

Opinion

We have audited the financial statements of The Consulting Consortium Limited (the 'Company') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

THE CONSULTING CONSORTIUM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSULTING CONSORTIUM LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

THE CONSULTING CONSORTIUM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSULTING CONSORTIUM LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations.

We understand that the Company complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- A risk assessment framework and register that includes regular review and scrutiny by the directors and management.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements and which are central to the Company's ability to conduct its business and where failure to comply could result in material penalties. The Company must abide by the Companies Act 2006 and FRS102 in respect of the preparation and presentation of the financial statements. Aside from this, we did not identify any specific laws and regulations as being of significance in the context of the Company.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Enquired of management and those charged with governance as to the risks of non-compliance and any instances thereof;
- Reviewed minutes of meetings of those charged with governance; and
- Obtained written management representations regarding disclosure of any non-compliance with laws and regulations.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

The procedures carried out to gain evidence in the above areas included:

- Evaluation of the design effectiveness of management's controls designed to prevent and detect irregularities;
- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the entity's processes and controls surrounding manual journal entries;
- Reviewing and challenging estimates made by management; and
- Substantive testing of a sample of revenue transactions.

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

THE CONSULTING CONSORTIUM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CONSULTING CONSORTIUM LIMITED
(CONTINUED)

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.

Nexia Smith & Williamson

Chetan Mistry (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditor

25 Moorgate

London

EC2R 6AY

Date: 31/03/2022

THE CONSULTING CONSORTIUM LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £	2020 £
Turnover	4	14,796,680	16,601,188
Cost of sales		(10,172,763)	(12,059,380)
Gross profit		4,623,917	4,541,808
Administrative expenses		(3,629,791)	(3,029,903)
Provision against related company loan	5	-	(1,977,678)
Operating profit/(loss)	6	994,126	(465,773)
Other income		88,200	-
Interest receivable and similar income	10	65,522	74
Interest payable and similar expenses	11	(157,874)	(3,925)
Profit/(loss) before tax		989,974	(469,624)
Tax on profit/(loss)	12	(79,063)	(105,575)
Profit/(loss) for the financial year		910,911	(575,199)

There was no other comprehensive income for 2021 (2020 - £Nil).

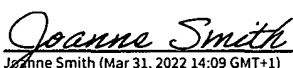
The notes on pages 12 to 28 form part of these financial statements.

THE CONSULTING CONSORTIUM LIMITED
REGISTERED NUMBER:04144405

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	1,155,777	1,010,498
Tangible assets	14	49,939	58,905
		<u>1,205,716</u>	<u>1,069,403</u>
Current assets			
Debtors: amounts falling due after more than one year	15	2,561,552	-
Debtors: amounts falling due within one year	15	3,031,284	3,985,141
Cash at bank and in hand		1,571,853	190,682
		<u>7,164,689</u>	<u>4,175,823</u>
Creditors: amounts falling due within one year	16	(3,130,099)	(3,138,356)
Net current assets		<u>4,034,590</u>	<u>1,037,467</u>
Total assets less current liabilities		<u>5,240,306</u>	<u>2,106,870</u>
Creditors: amounts falling due after more than one year	17	(2,250,000)	-
Provisions for liabilities			
Other provisions	20	(41,597)	(69,072)
Net assets		<u><u>2,948,709</u></u>	<u><u>2,037,798</u></u>
Capital and reserves			
Called up share capital	21	3,862	3,862
Profit and loss account	22	2,944,847	2,033,936
Shareholders' funds		<u><u>2,948,709</u></u>	<u><u>2,037,798</u></u>

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


Joanne Smith (Mar 31, 2022 14:09 GMT+1)

J L Smith
Director

Date: 31/03/2022

The notes on pages 12 to 28 form part of these financial statements.

THE CONSULTING CONSORTIUM LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2019	3,862	2,609,135	2,612,997
Comprehensive income for the year			
Loss for the year	-	(575,199)	(575,199)
Total comprehensive income for the year	-	(575,199)	(575,199)
At 1 July 2020	3,862	2,033,936	2,037,798
Comprehensive income for the year			
Profit for the year	-	910,911	910,911
Total comprehensive income for the year	-	910,911	910,911
At 30 June 2021	3,862	2,944,847	2,948,709

THE CONSULTING CONSORTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. General information

The Consulting Consortium Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 04144405). The registered office address is 6th Floor, 10 Lower Thames Street, London, EC3R 6EN.

The Company's functional and presentational currency is GBP.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Consulting Consortium Holdings Limited as at 30 June 2021 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

THE CONSULTING CONSORTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis.

In preparing this assessment, the directors have considered the committed and uncommitted sales order book together with the operational cost base of the business.

Accordingly, the directors have carefully reviewed the future prospects of the Company and its future cash flows and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

2.5 Turnover

Turnover comprises revenue recognised by the Company in respect of professional services supplied during the year, exclusive of value added tax and trade discounts. Within turnover there is a range of service offerings to clients, including consultancy services and other related services.

In line with applicable accounting standards, turnover relating to consultancy services is recognised in the accounting period in which the services are provided. This recognition is made by reference to when there is a right to consideration from the performance of contractual obligations.

2.6 Operating leases

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

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

THE CONSULTING CONSORTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life of 3 years and are amortised using the straight-line method.

2.10 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.

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	- 20%
Office equipment	- 33%

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 profit or loss.

2.11 Employee benefits

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

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

THE CONSULTING CONSORTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

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

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

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

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

In the prior year, the directors had recognised a provision against the related company loan balance with Record Sure Limited by £1,977,678 having assessed its recoverability at the reporting date. Subsequently, a formal repayment agreement was signed. The directors are comfortable that the carrying amount of that loan balance is fully recoverable.

THE CONSULTING CONSORTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.15 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

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

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Due to the terms associated with the share options, no charge to the profit or loss has occurred because the directors believe the criteria for these share options to materialise is remote.

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

THE CONSULTING CONSORTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

3. Judgements in applying accounting policies 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and key sources of estimation uncertainty

In the process of applying accounting policies they key judgments and assumptions affecting estimates that have a significant risk of materially affecting the carrying amounts of assets or liabilities include:

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgment as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return. The financial instruments within the Statement of Financial Position are all considered to be basic financial instruments and have been accounted for in accordance with this classification.

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy detailed in Note 2 alongside the judgement summarised below.

Initial capitalisation of costs is based on management's judgment that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets and the expected period of benefits.

Employee share option scheme

In determining the valuation of the employee share option charge, management have made judgments on the likelihood of exercise of the share options.

Recovery of related company loan

After careful review, the directors consider that the Company will recover the full amount of £3,083,280 (2020 - £1,227,658) due from Record Sure Limited, a related entity. This balance is included within amounts owed by related entities in note 15. Record Sure Limited is currently loss making and is in a net liability position, however a combination of recently won contracts and contracts reasonably expected to be won in the near future is expected to generate improved future net cash flows. A provision was recognised in the prior year as disclosed in Note 5.

4. Turnover

The whole of the turnover is attributable to the Company's principal activity.

All turnover arose within the United Kingdom.

THE CONSULTING CONSORTIUM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

5. Provision against related company loan

	2021 £	2020 £
Provision against amounts owed by related parties	-	1,977,678

6. Operating profit/(loss)

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

	2021 £	2020 £
Operating lease rentals	13,467	16,208

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,500	15,000

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the ultimate parent company.

8. Employees

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

	2021 £	2020 £
Wages and salaries	3,850,302	2,878,983
Social security costs	429,983	381,283
Cost of defined contribution scheme	103,332	181,070
	4,383,617	3,441,336

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

	2021 No.	2020 No.
Administrative and operational staff	59	55

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9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	448,185	371,191
Company contributions to defined contribution pension schemes	5,100	4,605
	<u>453,285</u>	<u>375,796</u>

Details of the highest paid director have been given in the group accounts of the parent company.

10. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	65,522	74
	<u>65,522</u>	<u>74</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	157,874	3,925
	<u>157,874</u>	<u>3,925</u>

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	63,608	91,401
	<u>63,608</u>	<u>91,401</u>
Deferred tax		
Origination and reversal of timing differences	(1,722)	106,439
Adjustment in respect of prior periods	17,159	(79,261)
Effect of tax rate change on opening balance	18	(13,004)
	<u>15,455</u>	<u>14,174</u>
Total deferred tax	<u>15,455</u>	<u>14,174</u>
	<u>79,063</u>	<u>105,575</u>
Taxation on profit on ordinary activities	<u>79,063</u>	<u>105,575</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	989,974	(469,624)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	188,095	(89,229)
Effects of:		
Fixed asset differences	42,634	67,596
Provision against related company loan disallowed	-	379,533
Expenses not deductible for tax purposes	1,304	-
Income not taxable for tax purposes	-	(86,228)
Adjustments to tax charge in respect of previous periods	-	(89,877)
Adjustments to tax charge in respect of previous periods - R&D	(164,385)	18,725
Adjustments to tax charge in respect of previous periods - deferred tax	17,159	(79,261)
Remeasurement of deferred tax for changes in tax rates	(396)	(13,004)
Group relief	(5,348)	(2,680)
Total tax charge for the year	79,063	105,575

Factors that may affect future tax charges

Finance Bill 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. These changes are not included above as Finance Bill 2021 was not substantively enacted by the year end.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

13. Intangible assets

	Development costs £
Cost	
At 1 July 2020	2,153,290
Additions	748,706
At 30 June 2021	<u>2,901,996</u>
Amortisation	
At 1 July 2020	1,142,792
Charge for the year	603,427
At 30 June 2021	<u>1,746,219</u>
Net book value	
At 30 June 2021	<u>1,155,777</u>
At 30 June 2020	<u>1,010,498</u>

THE CONSULTING CONSORTIUM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

14. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost			
At 1 July 2020	135,467	340,923	476,390
Additions	66	28,485	28,551
Disposals	(4,560)	(204,456)	(209,016)
At 30 June 2021	<u>130,973</u>	<u>164,952</u>	<u>295,925</u>
Depreciation			
At 1 July 2020	122,059	295,426	417,485
Charge for the year	5,550	31,967	37,517
Disposals	(4,560)	(204,456)	(209,016)
At 30 June 2021	<u>123,049</u>	<u>122,937</u>	<u>245,986</u>
Net book value			
At 30 June 2021	<u><u>7,924</u></u>	<u><u>42,015</u></u>	<u><u>49,939</u></u>
At 30 June 2020	<u><u>13,408</u></u>	<u><u>45,497</u></u>	<u><u>58,905</u></u>

THE CONSULTING CONSORTIUM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

15. Debtors

	2021 £	2020 £
Due after more than one year		
Amounts owed by related entities (see note 26)	2,561,552	-
	2021 £	2020 £
Due within one year		
Trade debtors	1,931,228	2,437,080
Amounts owed by group companies	314,035	100,668
Amounts owed by related entities (see note 26)	521,728	1,227,658
Other debtors	4,400	2,849
Prepayments and accrued income	258,246	199,784
Deferred taxation	1,647	17,102
	3,031,284	3,985,141

The Company's invoice financing facility is secured against trade debtors (see note 16).

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	750,000	-
Trade creditors	855,303	1,186,110
Corporation tax	226,423	189,957
Other taxation and social security	657,554	1,175,039
Proceeds from invoice financing facility	324,422	152,583
Other creditors	24,879	120,586
Accruals and deferred income	291,518	314,081
	3,130,099	3,138,356

The invoice financing facility amounting to £324,422 (2020 - £152,583) is secured against trade debtors included within debtors (see note 15).

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FOR THE YEAR ENDED 30 JUNE 2021

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

	2021 £	2020 £
Bank loans	2,250,000	-

18. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	750,000	-
Amounts falling due 1-2 years		
Bank loans	1,500,000	-
Amounts falling due 2-5 years		
Bank loans	750,000	-
	3,000,000	-

Bank loans include the Coronavirus Business Interruption Loan Scheme (CBILs) exercised by the Group during the pandemic. Under the scheme rules, the loan is repayable over the next 6 years and accrues interest at 2.84% above base rate. Interest accrued in the first 12 months is payable by the UK Government.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

19. Deferred taxation

	2021 £	2020 £
At beginning of year	(17,102)	(31,276)
Movement charged to profit or loss	15,455	14,174
Deferred tax asset at end of year	(1,647)	(17,102)

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	5,107	4,727
Short-term timing differences	(6,754)	(21,829)
	(1,647)	(17,102)

20. Provisions

	Dilapidation provision £
At 1 July 2020	69,072
Charged to profit or loss	(27,475)
At 30 June 2021	41,597

The provision above relates to dilapidations in respect of the Company's office lease.

21. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
386,191 Ordinary shares of £0.01 each	3,862	3,862

THE CONSULTING CONSORTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

22. Reserves

Profit and loss account

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

23. Share-based payments

The Group which the Company is consolidated into, The Consulting Consortium Holdings Limited ("the Group"), operates an equity-settled share-based payment scheme for key employees of the Company. The options are granted over issued shares in The Consulting Consortium Holdings Limited and can only be exercised at the point of sale of the business. The options over the C ordinary shares will expire if the share options issued in Record Sure Limited, a company related by virtue of common control, are exercised.

During 2019, the Company granted 95 options over the C Ordinary Shares at an exercise price of £32.99 per share, and 1,990 options over the Ordinary Shares at an exercise price of £0.01 per share.

During 2020, 151 of the C Ordinary Shares and 3,180 of the Ordinary Shares lapsed when two employees left the Company.

In the current year, the Company granted 359 options over the C Ordinary Shares at an exercise price of £32.99 per share, and 10,756 options over the Ordinary Shares at an exercise price of £0.01 per share. 152 of the C Ordinary Shares and 3,180 of the Ordinary Shares lapsed during the year when two employees left the Company.

The Company did not recognise an expense related to equity-settled share-based payment transactions in the year (2020 - £Nil), as the directors believe the possibility for the criteria for these share options to materialise, being a sale of the business, is remote.

24. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £103,332 (2020 - £181,070). Contributions totalling £24,879 (2020 - £22,445) were payable to the fund at the reporting date.

25. Commitments under operating leases

At 30 June 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	164,045	264,260
Later than 1 year and not later than 5 years	52,411	214,843
	<u>216,456</u>	<u>479,103</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

26. Related party transactions

Group transactions

The Company has taken the exemption available under FRS 102 Section 33.1A from disclosing transactions with the ultimate parent company and other wholly owned subsidiaries with the Group.

Other related party transactions

The Company is a related party of Record Sure Limited by virtue of common control. The Company and Record Sure Limited provide services to each other for which management charges are levied.

Expenditure recharged by each company for services provided to each company is invoiced at an arms-length basis:

	2021 £	2020 £
Services provided by the Company to Record Sure	201,938	935,693
Services provided by Record Sure to the Company	507,234	180,948
Payments made by the Company on behalf of Record Sure	136,647	1,508,591
Interest charge on loan	65,315	-
	<u> </u>	<u> </u>

During the year, the Company refinanced its related party loans with Record Sure. At the 2021 year end, Record Sure had an outstanding loan balance due, net of provisions, to the Company of £3,083,280 (2020 - £1,227,658). No amounts have been provided against this loan balance as at 30 June 2021. In 2020, £1,977,678 was provided against the loan and this amount was formally discharged during 2021.

27. Controlling party

The immediate parent undertaking is Ingenuity Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking is The Consulting Consortium Holdings Limited, a company registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ending 30 June 2021 have been drawn up, is that headed by The Consulting Consortium Holdings Limited. Copies of the group accounts are available from Companies House.

The ultimate controlling party is J L Smith, by virtue of her shareholding and directorship in the ultimate parent undertaking.

THE CONSULTING CONSORTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

28. Subsidiary undertakings

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
TCC Associates Limited	Ordinary	100%
The Consulting Consortium Australia PTY Limited	Ordinary	100%

During the year, TCC Associates Limited was not trading and the principal activity of The Consulting Consortium Australia PTY Limited was the provision of both deep subject matter expertise and technology enabled services to regulated financial services businesses.

The registered office of TCC Associates Limited is 6th Floor, 10 Lower Thames Street, London, EC3R 6EN.

The registered office of The Consulting Consortium Australia PTY Limited is 7 Winton St, Warrawee NSW, 2074.