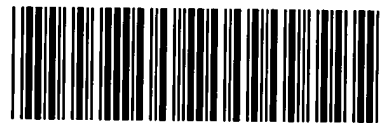


Registered number: 04176016

ENGAGE ESM LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

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ENGAGE ESM LTD

COMPANY INFORMATION

Directors	Jayesh Maroo Peter Pluim Joseph McKenna (resigned 30 December 2016) Matthew Middleton (resigned 30 December 2016)
Company secretary	James Loughrey
Registered number	04176016
Registered office	Second Floor Mid City Place 71 High Holborn London WC1V 6EA
Independent auditor	Grant Thornton UK LLP Statutory Auditor & Chartered Accountants Grant Thornton House 30 Finsbury Square London EC2A 1AG

ENGAGE ESM LTD.

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ENGAGE ESM LTD

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Introduction

The Directors present their Strategic Report for Engage ESM Ltd (the "Company") the period from 30 December 2016 to 31 December 2017. The comparative period is 1 October 2015 to 29 December 2016.

Business review

The results for the period which are set out in the Statement of Comprehensive Income show turnover of £19,107,425 (2016 : £20,415,632) and the operating profit for the period was £1,590,895 (2016 : £753,196) after charging the exceptional costs of £Nil (2016 : exceptional income of £1,098,077). The Directors consider the performance for the period and the financial position at the period end to be satisfactory.

In 2018 the Company will continue to focus on providing IT enabled business processes to select national and international markets, thereby continuing to deliver added value to our clients.

Financial Key Performance Indicator

The Directors monitor the progress on the Company's overall strategy and its individual strategic elements by reference to the following Key Performance Indicator (KPI):

Movement in turnover (%)

This is defined as the period on period movement in turnover expressed as a percentage. The decrease in turnover was 6% (increase in 2016: 70%). The comparative period is 1 October 2015 to 29 December 2016.

Headcount

This is defined as the number of full time equivalent staff employed by the Company. The average headcount increased by 27 from 30 December 2016 to 93 during the period to 31 December 2017. The average headcount increased by 11 from 1 October 2015 to 66 during the period to 29 December 2016.

Principal risks and uncertainties

The Company has a number of governance boards which seek to deliver specific goals.

The UK Executive Board consists of the UK Executive Team and its purpose is to deliver market growth, deepen client relationships and strengthen the UK's competitive position in the market through developing the three year strategic plan. The Executive Board meets monthly to drive focus on delivering current year business objectives and implementing the in year actions related to the three year strategy as defined by the UK Executive Board as part of business planning.

This forum is responsible for the oversight of all operations and focuses, where necessary, on potential issues including risk related issues raised by the different parts of the UK business as part of monthly operational reviews covering either markets or service lines.

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017

Clients

The Company continues to diversify its offerings across various markets in order to limit the impact of contract losses. The Company also continues to diversify its client base in order to minimise its reliance on a small set of clients.

Client relationship management is critical to ensure proper delivery of services, the renewal of contracts and mitigation of the risks of early termination. The Company has implemented detailed contract management processes to manage this risk.

Legal risks

Through the provision of IT services to clients, the risk of contract liability arises as a result of any inadequate implementation of IT systems, or any deficiency in the execution of services related to delays or unsatisfactory levels of service. The Company seeks to minimise such risks through a rigorous review at bid stage and throughout the contract life. Mitigating actions are taken where appropriate.

Supplier risks

The Company relies on key suppliers in its business with respect to software used in the design, implementation and running of IT systems. Major risks with key IT suppliers are managed centrally by the purchasing department. This department is responsible for relationships with suppliers including their identification and selection, contract negotiation, and the management and resolution of potential claims and litigations.

Partnerships and subcontractors

The Company relies from time to time on partnerships and subcontractors to deliver services in specific contractual situations. The use of third parties is common within the industry but represents a business risk that is carefully managed by the Company. All requests to enter into partnerships or to use subcontractors are initiated by the bid team evaluating the proposal.

Technology and IT risks

The Company has IT risk management processes, covering security and backup systems and effective insurance coverage.

Exceptional Items

Operating profit for the period includes an exceptional income of £Nil (2016 - exceptional expense of £1,098,077) see note 6.

This report was approved by the board on

and signed on its behalf.


Jayesh Maroo
Director

14th September 2018

ENGAGE ESM LTD

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

The Directors present their Strategic Report for the Company for the period from 30 December 2016 to 31 December 2017.

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 101 'Reduced Disclosure Framework'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis.

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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for the maintenance and the integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the annual report including the Strategic report and Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

Principal activities

The Company delivers technology services, system integration, business process outsourcing services, consulting and managed services.

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Results and dividends

The profit for the period, after taxation, amounted to £1,592,197 (2016 - £848,965).

The Directors do not recommend payment of a dividend (2016 - £nil).

Environmental matters

As an information technology service provider, the Company's operations in themselves have minimal direct impact on the environment. However, the Board recognises that even office based working structures can have a negative impact on the environment and have adopted an environmental policy which has the following main features:

- to meet the statutory requirements which are placed on the Company in its various countries of operation;
- to recycle as much of the Company's waste products as is economically possible, recognising that office based environments produce quantities of waste paper;
- to dispose of any hazardous resources employed by the Company in an environmentally friendly manner;
- to apply good environmental practice in outsourcing and managed service businesses both to the level and beyond that required by contractual obligations; and
- to encourage staff to adopt environmentally friendly practices in their employment with the Company.

The Company's leadership role in the digital transformation of businesses enables it to improve the environmental efficiency of its operations by reducing energy and carbon intensity, as well as to develop collaborative tools that will enable it and its clients to reduce their overall global footprint.

Continuous improvements to the energy efficiency of operations and ambitious targets achieved in reducing the carbon intensity footprint and a sharp increase in the use of decarbonised electricity in the strategic datacentres.

Directors

The Directors who served during the period were:

Jayesh Maroo

Peter Pluim

Joseph McKenna (resigned 30 December 2016)

Matthew Middleton (resigned 30 December 2016)

Going concern

The Company's business activities, together with the factors likely to affect its future developments, its financial position, financial risk management objectives and its exposure to liquidity, credit, interest and currency risk are described in the Strategic Report.

The Company has considerable financial resources together with long term contracts with a number of customers and suppliers across different industries. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

Based on the approved business plan and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

ENGAGE ESM LTD.

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Qualifying third party indemnity provisions

The Company has granted indemnities to all of its Directors against any potential liability in respect of proceedings brought by third parties, subject to the conditions set out in sections 234 and 235 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report.

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 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.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Reappointment of auditors

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

This report was approved by the board on

and signed on its behalf.


Jayesh Maroo
Director

14th September 2018

ENGAGE ESM LTD

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENGAGE ESM LTD

Opinion

We have audited the financial statements of Engage ESM Ltd (the 'Company') for the period ended 31 December 2017, which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the period 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 United Kingdom, including the Financial Reporting Council'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.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENGAGE ESM LTD (CONTINUED)

included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 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.

Opinion 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 period 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.

Matter on which we are required to report under the Companies Act 2006

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENGAGE ESM LTD (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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. This description forms part of our Auditor's Report.



Stephen Maslin BSc FCA (Senior Statutory Auditor)

for and on behalf of
Grant Thornton UK LLP

Statutory Auditor & Chartered Accountants

Grant Thornton House
30 Finsbury Square
London
EC2A 1AG
Date:

14th September 2019

ENGAGE ESM LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 30 DECEMBER 2016 TO 31 DECEMBER 2017**

		For the period 30 Dec 2016 to 31 Dec 2017 £	For the period 1 Oct 2015 to 29 Dec 2016 £
	Note		
Turnover	4	19,107,425	20,415,632
Cost of sales		(13,542,189)	(13,252,567)
Gross profit		5,565,236	7,163,065
Administrative expenses		(3,974,341)	(5,311,792)
Exceptional administrative expenses	6	-	(1,098,077)
Operating profit	5	1,590,895	753,196
Interest receivable and similar income	10	10	9,185
Interest payable and similar expenses	11	(1,126)	(4,771)
Profit before tax		1,589,779	757,610
Tax on profit	12	2,418	91,355
Profit for the financial period		1,592,197	848,965

The notes on pages 13 to 32 form part of these financial statements.

ENGAGE ESM LTD.
REGISTERED NUMBER: 04176016

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD 30 DECEMBER 2016 TO 31 DECEMBER 2017

	Note	31 December 2017 £	29 December 2016 £
Fixed assets			
Intangible assets	13	3,309,892	3,309,892
Investments	14	269,115	269,115
		<u>3,579,007</u>	<u>3,579,007</u>
Current assets			
Debtors: amounts falling due within one year	15	6,098,318	4,324,609
Cash and cash equivalents	17	1,882,847	581,237
		<u>7,981,165</u>	<u>4,905,846</u>
Creditors: amounts falling due within one year	18	(5,591,133)	(4,108,011)
Net current assets		<u>2,390,032</u>	<u>797,835</u>
Total assets less current liabilities		<u>5,969,039</u>	<u>4,376,842</u>
Net assets		<u>5,969,039</u>	<u>4,376,842</u>
Capital and reserves			
Called up share capital	20	92	92
Capital redemption reserve		8	8
Profit and loss account		5,968,939	4,376,742
		<u>5,969,039</u>	<u>4,376,842</u>

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


Jayesh Maroo
Director

14th September 2018

The notes on pages 13 to 32 form part of these financial statements.

ENGAGE ESM LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 30 DECEMBER 2016 TO 31 DECEMBER 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 30 December 2016	92	8	4,376,742	4,376,842
Comprehensive income for the period				
Profit for the period	-	-	1,592,197	1,592,197
Total comprehensive income for the period	-	-	1,592,197	1,592,197
At 31 December 2017	92	8	5,968,939	5,969,039

The notes on 12 to 33 form part of these financial statements.

ENGAGE ESM LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 OCTOBER 2015 TO 29 DECEMBER 2016**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2015	92	8	3,527,777	3,527,877
Comprehensive income for the period				
Profit for the period	-	-	848,965	848,965
Total comprehensive income for the period	-	-	848,965	848,965
At 29 December 2016	92	8	4,376,742	4,376,842

The notes on pages 13 to 32 form part of these financial statements.

ENGAGE ESM LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

1. General information

Engage ESM Limited is incorporated and domiciled in England and Wales. The address of its registered office and principal place of business is disclosed in the introduction to the financial statements. The principal activities of the Company are described in the Directors' Report.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts on the basis that group accounts are prepared for its ultimate parent undertaking, Atos SE, a company incorporated in France. These financial statements present information about the Company as an individual undertaking and not about any wider group.

The principal accounting policies adopted by the Company are set out below.

2. Accounting policies

2.1 Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the period ended 31 December 2017 the Company has undergone transition from reporting under FRS 102 to FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The Company has transitioned from FRS102 to FRS 101 for all periods presented. In the transition to FRS 101, the Company has applied IFRS 1 First-time Adoption of International Financial Reporting Standards whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 24.

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and in accordance with FRS 101. The Company's financial statements are presented in pounds sterling.

The Company has used a true and fair view override in respect of the non amortisation of goodwill (see note 2.7).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period 31 December 2017. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- c) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
 - (d) the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A-D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
 - (h) the requirement to prepare a Statement of Cash Flows and related notes;
 - (i) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
 - (j) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
 - (e) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of assets;
 - (f) the requirements in IAS 8.30 and IAS 8.31 to disclose new standards and interpretations; and
 - (g) the requirements of paragraph 5(c) of the FRS 101 Reduced Disclosure Framework.

2.2 Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the Going Concern Basis in preparing its financial statements.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured.

Turnover consists of amounts chargeable to customers and other group undertakings for goods and services provided and are exclusive of value added tax ("VAT") and other sales taxes.

Systems Integration turnover is recognised as the services are delivered for time and materials contracts.

The Company's product turnover is derived from the sale of licences for software, maintenance and related services, which include installation and consulting services. Turnover from these sales is recognised on delivery to the customer and once the item is available for use by that customer and over the licence or maintenance term where relevant.

Turnover from consulting and training is recognised when the services are performed and recovery deemed probable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)**2.4 Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

2.5 Taxation

Income tax expense represents the sum of the corporation tax and deferred tax charges. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on the tax rates and laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.6 Exceptional items

The Company presents as exceptional items on the face of the Statement of Comprehensive Income, those significant items of income and expense which, because of their size, nature and infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods to assess trends in financial performance more readily.

2.7 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to the profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non amortisation of goodwill is a required departure, for the overriding purpose of giving a true and fair view.

2.8 Investments

Investments are stated at cost less provision for any permanent impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.9 Financial assets and liabilities

Financial assets and liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Non-derivative financial instruments comprise trade debtors, cash, loans and borrowings and trade creditors.

Trade debtors and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are recognised at fair value at initial recognition and subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash includes cash in hand and with banks.

Trade creditors are stated at amortised cost. Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost.

Impairment of assets

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For certain categories of financial asset such as debtors, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of debtors could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on debtors.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of debtors where the carrying amount is reduced through the use of an allowance account. When a debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit or loss.

2.10 Leases

Rentals 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

2.11 Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

2.12 Research and development

Expenditure on the research phase of projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Company intends to and has sufficient resources to complete the project;
- the Company has the ability to use or sell the intangible asset ;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- intangible asset will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.13 Interest income

Interest income is recognised in the profit and loss using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes.

Measurement of recognised deferred tax assets

Deferred tax assets are recognised when it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Estimates of taxable profits and utilisations of deferred tax assets are prepared on the basis of profit and loss forecasts as included in the 3-year business plans.

Revenue recognition and associated costs on long-term contracts

Revenue recognition and associated costs, including forecast losses on completion are measured according to policies stated. Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs. These have a direct influence on the level of revenue and possible forecast losses on completion that are recognised.

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4. Turnover

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

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Rendering of services	16,175,668	14,880,932
Hardware and licence resale	2,931,757	5,534,700
	<u>19,107,425</u>	<u>20,415,632</u>

Analysis of turnover by country of destination:

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
United Kingdom	11,660,067	11,819,088
Europe	4,698,154	3,289,419
Rest of the world	2,749,204	5,307,125
	<u>19,107,425</u>	<u>20,415,632</u>

5. Operating profit

Arrived at after charging/(crediting)

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Research and development cost	-	1,438,236
Depreciation of tangible fixed assets	-	495
Exchange differences	69,462	(158,325)
Pension contributions - defined contribution scheme	305,079	385,735
Operating lease payments - property	181,755	259,743
	<u>556,296</u>	<u>925,889</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Exceptional items

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Other costs	-	1,098,077
	<u>-</u>	<u>1,098,077</u>

During the period there were £nil exceptional costs were incurred (2016 : £1,098,077). During the period ended 29 December 2016, the Company entered into an obligation to pay a bonus to a senior manager totalling £1,098,077.

7. Auditor's remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Auditor's remuneration - audit of Company	20,000	20,000
Auditor's remuneration - taxation services	-	1,300
	<u>20,000</u>	<u>21,300</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Employees

Staff costs were as follows:

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Wages and salaries	6,826,396	5,662,307
Social security costs	818,451	745,092
Cost of defined contribution scheme	305,079	385,735
	<u>7,949,926</u>	<u>6,793,134</u>

No Directors were remunerated through this entity in the 2017.

The average monthly number of employees, including the Directors, during the period was as follows:

	30 Dec 2016 to 31 Dec 2017 No.	1 Oct 2015 to 29 Dec 2016 No.
Administration	9	7
Sales and marketing	18	20
Operations	66	39
	<u>93</u>	<u>66</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Directors' remuneration

The Directors' remuneration for the period was as follows:

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Remuneration	-	523,750
Pension contributions	-	25,000
	<u>-</u>	<u>548,750</u>

Payment in respect of the highest paid Director was as follows:

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Remuneration	-	286,250
Company contributions to money purchase pension schemes	-	13,125
	<u>-</u>	<u>299,375</u>

From 30 December 2016, the Directors of the Company were remunerated by other group undertakings for their services in the Company.

10. Interest receivable

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Interest income on bank deposits	10	9,185
	<u>10</u>	<u>9,185</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Interest payable and similar charges

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Bank interest payable	1,126	4,771
	<u>1,126</u>	<u>4,771</u>

12. Taxation

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Corporation tax		
Current tax on profits for the period	-	(96,131)
Adjustments in respect of previous periods	(2,418)	-
Total current tax	<u>(2,418)</u>	<u>(96,131)</u>
Deferred tax		
Origination and reversal of timing differences	-	4,776
Total deferred tax	<u>-</u>	<u>4,776</u>
Taxation on profit on ordinary activities	<u>(2,418)</u>	<u>(91,355)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	30 Dec 2016 to 31 Dec 2017 £	1 Oct 2015 to 29 Dec 2016 £
Profit on ordinary activities before tax	1,589,779	757,610
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	306,032	151,522
Effects of:		
Disallowable costs	13,033	17,197
Adjustment in respect of previous years	(2,418)	-
Other tax charge	-	310
Other differences leading to an increase in the tax charge	-	(103,586)
Free group relief from other UK Group companies	(319,065)	(9,289)
Marginal relief	-	(25,000)
Transfer pricing adjustments with other UK Group companies	-	(122,509)
Total tax credit for the period	(2,418)	(91,355)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

13. Intangible assets

	Goodwill £
Cost	
At 29 December 2016	4,728,415
At 31 December 2017	<u>4,728,415</u>
Amortisation	
At 29 December 2016	1,418,523
At 31 December 2017	<u>1,418,523</u>
Net book value	
At 31 December 2017	<u><u>3,309,892</u></u>
At 29 December 2016	<u><u>3,309,892</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 29 December 2016	269,115
At 31 December 2017	<u>269,115</u>
 Net book value	
At 31 December 2017	<u>269,115</u>
At 29 December 2016	<u>269,115</u>

The registered office of all of the Company's subsidiary undertakings is:
 Second Floor
 Mid City Place
 71 High Holborn
 London
 WC1V 6EA
 United Kingdom

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Innovise ESM Limited	Ordinary	100 %	Dormant
Abilitec Limited	Ordinary	100 %	Dormant
Innovise ESM Holdings Limited	Ordinary	100 %	Dormant

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	31 December 2017 £	29 December 2016 £
Trade debtors	880,146	1,677,527
Amounts owed by group undertakings	3,155,577	1,095,262
Other debtors	34,830	44,481
Accrued income	1,302,926	776,329
Deferred taxation	7,405	7,405
Prepayments	717,434	723,605
	<u>6,098,318</u>	<u>4,324,609</u>

16. Commitments under operating leases

	31 December 2017 £	29 December 2016 £
Within one year	54,000	178,560
In two to five years	-	54,000
	<u>54,000</u>	<u>232,560</u>

17. Cash and cash equivalents

	31 December 2017 £	30 December 2016 £
Cash at bank and in hand	1,882,847	581,237
	<u>1,882,847</u>	<u>581,237</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

18. Creditors: Amounts falling due within one year

	31 December 2017 £	29 December 2016 £
Trade creditors	708,313	805,372
Deferred income	1,170,772	1,065,556
Amounts owed to group undertakings	1,985,098	268,821
Income tax liability	-	38,637
Other taxation and social security	707,601	993,163
Other creditors	79,578	681,101
Accruals	939,771	255,361
	<u>5,591,133</u>	<u>4,108,011</u>

19. Deferred taxation

	2017 £	2016 £
At beginning of year	7,405	7,405
At end of year	<u>7,405</u>	<u>7,405</u>

The deferred tax asset is made up as follows:

	31 December 2017 £	29 December 2016 £
Fixed assets timing differences	7,405	7,405
	<u>7,405</u>	<u>7,405</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Share capital

	31 December 2017	29 December 2016
	£	£
Allotted, called up and fully paid		
919 Ordinary shares of £0.10 each	92	92

21. Reserves

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

22. Contingent liabilities

HMRC have challenged the tax treatment of payments made by the Company into a Business Benefit Trust during the tax year 2005/06. The previous Directors disagree that any further liability arises and continue to defend their position. HMRC had made an offer to settle the liability in the sum of £175,000 which the previous Directors rejected and this offer has since been withdrawn. HMRC have now raised further enquiries and the matter is still ongoing. The Directors continue to dispute the liability and the potential ultimate liability cannot be quantified. However, the liability rests with the previous Directors not the Company as the liability was transferred when Atos purchased the Company.

23. Parent and ultimate parent undertaking

The Company's immediate parent Company is Engage ESM Holdings LTD. The ultimate parent undertaking and controlling related party is Atos SE, a company incorporated in France, by virtue of its ultimate controlling interest in Engage ESM Holdings LTD. The largest and smallest group of undertakings for which group accounts are drawn up is that headed by Atos SE. Copies of these accounts are available to the public and may be obtained from Atos SE, River Ouest, 80 Quai Voltaire, 95877 Bezons, Cedex - France.

ENGAGE ESM LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

24. Transition to FRS 101

For the period ended 29 December 2016, the Company prepared its financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. Prior to this the financial statements were prepared under the previous UK GAAP. These financial statements, for the period ended 31 December 2017, are the first the Company has prepared in accordance with FRS 101 *Reduced Disclosure Framework*.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 October 2015 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 October 2015, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its Statement of Financial Position as at 1 October 2015 prepared under FRS 102 and its previously published financial statements for the period ended 29 December 2016.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS 1 First time adoption of International Financial Reporting Standards.

Restated Statement of Financial Position

	29 December 2016
	£
Shareholders' funds under FRS 102	4,081,317
Transitional adjustment to Goodwill amortisation	295,525
Restated shareholders' funds	<u>4,376,842</u>

ENGAGE ESM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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24. Transition to FRS 101 (continued)

Restated profit and loss for the period 1 October 2015 to 29 December 2016

	£
Profit after tax under FRS 102	553,440
Transitional adjustment to Goodwill amortisation	295,525
Restated profit	848,965
Restated total comprehensive income for the period	848,965

Reconciliation of goodwill at 29 December 2016

	£
Goodwill under previous FRS 102	3,014,367
Transitional adjustment to goodwill	295,525
Goodwill at 29 December 2016 under FRS 101	3,309,892

The following reclassification and remeasurement differences arose on transition from FRS 102 to FRS 101:

Under FRS 102 goodwill was amortised over its useful life. In accordance with IAS 38, goodwill is considered to have an indefinite life, and is tested annually for impairment in accordance with IAS 36. On transition to FRS 101 the Company took advantage of the exemption under IFRS 1 not to restate its business combinations and the carrying value of goodwill as at the date of transition at 1 October 2015 remains unchanged. Accordingly the goodwill amortisation charge previously recognised under FRS 102 of £295,525 for the period 1 October 2015 to 29 December 2016 was derecognised in the period and shareholders' funds increased by the same amount as at 29 December 2016.