

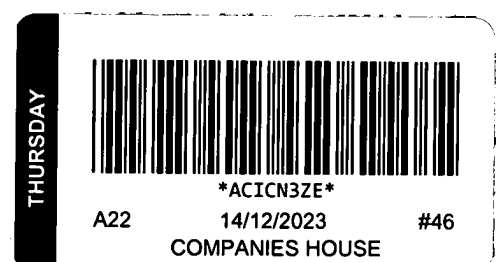
Registered number: 07630562

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## QUANTUMBLACK VISUAL ANALYTICS LIMITED

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### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022



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QUANTUMBLACK VISUAL ANALYTICS LIMITED

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COMPANY INFORMATION

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Directors	M Hohmann A Singla A Sukharevsky
Registered number	07630562
Registered office	The Post Building 100 Museum Street London WC1A 1PB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

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QUANTUMBLACK VISUAL ANALYTICS LIMITED

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**QUANTUMBLACK VISUAL ANALYTICS LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Results**

The profit for the year ended 31 December 2022, after taxation, amounted to £2,523,533 (2021: £8,176,978). Our key performance indicator is profit for the year.

The focus of 2022 has been continuing the investment in talent to build a best in class pool of Data Science, Engineering and Design colleagues to serve our clients to solve some of their highest value problems.

**Business review**

QuantumBlack is an advanced analytics firm operating at the intersection of strategy, technology and design to improve performance outcomes for organizations.

In 2015, QuantumBlack became part of McKinsey & Company. Together QuantumBlack combines its advanced analytics, design and engineering expertise with McKinsey's industry knowledge and organizational change management experience.

When QuantumBlack combines its skills and approach with McKinsey & Company's knowledge and expertise, QuantumBlack equips clients with an incomparable level of competitiveness.

This partnership with McKinsey has seen QuantumBlack consolidate its position as a market leading advanced analytics firm and it is targeting growth in nascent markets.

**Principal risks and uncertainties**

The performance of the Company and the group as a whole depends upon the financial health and strength of its customers, which in turn is dependent on the economic conditions of the industries and geographic region in which they operate.

The failure to attract and retain key employees could seriously impede the Company's objectives. The successful management and operations of the Company are reliant upon the contributions of its senior management and other key personnel. In addition, the Company's future success depends in part on its ability to continue to recruit, motivate and retain highly experienced and qualified employees in what is currently a 'white hot' talent market.

**Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk. The Company does not use derivative financial instruments.

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**QUANTUMBLACK VISUAL ANALYTICS LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Credit risk**

The Company's principal financial assets are intercompany and other receivables. The Company's credit risk is primarily attributable to these receivables. The amount presented in the balance sheet is net of allowance (if required at any place).

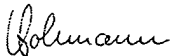
**Liquidity risk**

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company consistently generated sufficient cash flows from operations to meet its financial obligations. Apart from this the group treasury team monitors liquidity on a regular basis.

**Future developments**

The business continues to serve it's group companies by harnessing the power of hybrid intelligence to create unimagined opportunities in a constantly changing world.

This report was approved by the board on 12/12/2023 and signed on its behalf.



**M Hohmann**  
Director

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## QUANTUMBLACK VISUAL ANALYTICS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their report and the financial statements for the year ended 31 December 2022.

#### Principal activity

The principal activity of the Company during the period was that of information technology consultancy activities.

#### Results and dividends

The profit for the year, after taxation, amounted to £2,523,533 (2021: £8,176,978).

The directors did not recommend the payment of a dividend in the year (2021: £Nil).

#### Directors

The directors who served during the year were:

M Hohmann (appointed 17 March 2022)

A Singla

A Sukharevsky (appointed 17 March 2022)

J Bojko (resigned 17 March 2022)

J D F Palmer (resigned 17 March 2022)

#### 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

#### Information included in the Strategic report

The Strategic report includes a review of the performance of the business, principal risks and uncertainties and future developments.

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QUANTUMBLACK VISUAL ANALYTICS LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**Going concern**

Refer to Note 2.9 for the going concern disclosures.

**Qualifying third party indemnity provisions**

There were no qualifying third party indemnity policies in place.

**Post balance sheet events**

There were no events that occurred after the balance sheet date.

**Disclosure of information to auditor**

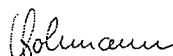
The directors confirm that:

- 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.

**Auditor**

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 12/12/2023 and signed on its behalf.



**M Hohmann**  
Director



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTUMBLACK VISUAL ANALYTICS LIMITED**

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**Opinion**

We have audited the financial statements of QuantumBlack Visual Analytics Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from Brexit, Covid-19, the crisis in Ukraine, the cost of living crisis and other macro-economic uncertainties such as inflationary increases, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.





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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTUMBLACK VISUAL ANALYTICS LIMITED (CONTINUED)**

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

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

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

**Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTUMBLACK VISUAL ANALYTICS  
LIMITED (CONTINUED)**

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**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**

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, 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTUMBLACK VISUAL ANALYTICS LIMITED (CONTINUED)**

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**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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks, being Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the relevant tax compliance regulations in the UK.
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated the results of our enquires to relevant supporting documentation.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls.
- Audit procedures performed by the engagement team included:
  - o Evaluation of the procedures and controls established to address the risks related to irregularities and fraud;
  - o Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
  - o Identifying and testing related party transactions;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTUMBLACK VISUAL ANALYTICS  
LIMITED (CONTINUED)**

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- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - o understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - o knowledge of the industry in which the client operates; and
  - o understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation, the regulators rules and related guidance and the applicable statutory provisions; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - o the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - o the applicable statutory provisions.
  - o the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance.

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

#### **Use of 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.

*Grant Thornton UK, LLP*

Matthew Flowers ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London Finsbury  
Date: 12/12/2023

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QUANTUMBLACK VISUAL ANALYTICS LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022

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	Note	2022 £	2021 £
Turnover	4	34,431,110	39,220,435
Cost of sales		(26,204,005)	(24,590,006)
<b>Gross profit</b>		<b>8,227,105</b>	<b>14,630,429</b>
Administrative expenses		(4,954,633)	(5,625,899)
<b>Operating profit</b>	5	<b>3,272,472</b>	<b>9,004,530</b>
Tax on profit	9	(748,939)	(827,552)
<b>Profit for the financial year</b>		<b>2,523,533</b>	<b>8,176,978</b>

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of comprehensive income.

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 14 to 24 form part of these financial statements.

**QUANTUMBLACK VISUAL ANALYTICS LIMITED**  
**REGISTERED NUMBER:07630562**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	56,750	63,243
		<u>56,750</u>	<u>63,243</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	21,283,753	21,079,449
Cash at bank and in hand	13	543,513	348,211
		<u>21,827,266</u>	<u>21,427,660</u>
Creditors: amounts falling due within one year	14	(4,101,729)	(8,442,049)
<b>Net current assets</b>		<u>17,725,537</u>	<u>12,985,611</u>
<b>Total assets less current liabilities</b>		<u>17,782,287</u>	<u>13,048,854</u>
Creditors: amounts falling due after more than one year	15	(2,209,900)	-
<b>Net assets</b>		<u><u>15,572,387</u></u>	<u><u>13,048,854</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	5	5
Share premium account	19	1,629,300	1,629,300
Profit and loss account	19	13,943,082	11,419,549
		<u><u>15,572,387</u></u>	<u><u>13,048,854</u></u>

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



**M Hohmann**  
 Director  
 Date: 12/12/2023

The notes on pages 14 to 24 form part of these financial statements.

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**QUANTUMBLACK VISUAL ANALYTICS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2022	5	1,629,300	11,419,549	13,048,854
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,523,533	2,523,533
<b>Total comprehensive income for the year</b>	-	-	2,523,533	2,523,533
<b>At 31 December 2022</b>	<b>5</b>	<b>1,629,300</b>	<b>13,943,082</b>	<b>15,572,387</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	5	1,629,300	(35,861,268)	(34,231,963)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	8,176,978	8,176,978
<b>Total comprehensive income for the year</b>	-	-	8,176,978	8,176,978
Issue of shares	-	39,103,839	-	39,103,839
Cancellation of share premium	-	(39,103,839)	-	(39,103,839)
Debt to equity conversion	-	-	39,103,839	39,103,839
<b>At 31 December 2021</b>	<b>5</b>	<b>1,629,300</b>	<b>11,419,549</b>	<b>13,048,854</b>

The notes on pages 14 to 24 form part of these financial statements.

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**QUANTUMBLACK VISUAL ANALYTICS LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,523,533	8,176,978
<b>Adjustments for:</b>		
Depreciation expense	6,493	28,814
Loss on disposal of tangible assets	-	7,528
Taxation expense	748,939	827,552
Decrease in debtors	15,781	80,465
(Decrease)/increase in creditors	(713,403)	1,655,318
Increase in amounts owed to/from groups	(143,270)	(10,973,112)
Tax paid	(2,242,771)	(98,289)
<b>Net cash generated from operating activities</b>	<b>195,302</b>	<b>(294,746)</b>
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>195,302</b>	<b>(294,746)</b>
Cash and cash equivalents at beginning of year	348,211	642,957
<b>Cash and cash equivalents at the end of year</b>	<b>543,513</b>	<b>348,211</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	543,513	348,211
	<b>543,513</b>	<b>348,211</b>

The notes on pages 14 to 24 form part of these financial statements.



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## QUANTUMBLACK VISUAL ANALYTICS LIMITED

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### 1. General information

QuantumBlack Visual Analytics Limited is a private company, limited by shares and is incorporated in England. The registered office is The Post Building, 100 Museum Street, London, WC1A 1PB.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

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 Turnover

##### Internal revenue

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the activities.

Revenue from provision of management consultancy services is recognised in the period the services are provided. Revenue earned from consultants loaned to fellow subsidiaries is recognised upon rendering of services.

##### External revenue

Revenue earned from earned on account of software development and consulting services supplied to customers during the year.

Revenue is recognised when the services are rendered in accordance with the terms of the agreement with the respective customers.

All revenue is recorded net of value added tax.

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**QUANTUMBLACK VISUAL ANALYTICS LIMITED**

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**2. Accounting policies (continued)****2.3 Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful lives.

Goodwill	5 years
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If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in the income statement in the periods expected to be benefited.

**2.4 Tangible fixed assets**

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

Depreciation is provided on the following basis:

Equipment	- 25% straight line
Artwork	- 0% depreciation

**2.5 Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of financial position date. The deferred tax balance has not been discounted.

**2.6 Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on straight line basis over the period of the lease.

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**QUANTUMBLACK VISUAL ANALYTICS LIMITED**

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**2. Accounting policies (continued)****2.7 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**2.8 Research and development**

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

**2.9 Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and consider that there are no material uncertainties that may cast doubt on the Company's going concern status. The ultimate parent company, McKinsey & Company Inc, has provided a letter of support stating its intent to provide ongoing support to enable the company to pay its debts as they fall due for a period of at least twelve months from the date of approval of these financial statements. Management has reviewed the range of potential performance scenarios considered by the parent company.

Management have derived a scenario designed to assess at what stage (before any mitigating actions were taken) the group would cease to be profitable and therefore generating sufficient cash to meet its obligations. This scenario is considered to be a very remote likelihood given current performance and there are also then a number of mitigating steps that management could take to offset the impact and maintain liquidity such that the support required would be able to be provided to this company.

Management has concluded that there is sufficient headroom from a liquidity perspective for the group to be able to meet its financial obligations as they fall due and therefore to provide support to this company for a period of at least twelve months from the date of approval of the financial statements.

For these reasons, after assessment of the parent entity's ability to continue to remain a going concern to the extent that it can continue to provide support to this entity, the directors continue to adopt the going concern basis in preparing the financial statements.

**2.10 Debtors**

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

**2.11 Cash and cash equivalents**

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

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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**2. Accounting policies (continued)**

**2.12 Creditors**

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

**2.13 Pensions**

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. The contributions are recognised as an expense in the Statement of comprehensive income when they fall due.

**2.14 Taxation**

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.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Debtor recoverability - Based on their historical knowledge and understanding of the business, they are satisfied that the unprovided debtors are recoverable.

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**4. Turnover**

	2022 £	2021 £
Turnover arising in the United Kingdom	9,121,243	9,128,095
Turnover arising outside of the United Kingdom	25,309,867	30,092,340
	<u>34,431,110</u>	<u>39,220,435</u>

All turnover relates to the principal activity of information technology consultancy activities.

**5. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	6,493	28,813
Net loss on foreign currency translation	<u>(18,702)</u>	<u>(2,032)</u>

**6. Auditor's remuneration**

	2022 £	2021 £
Audit	<u>50,058</u>	<u>43,000</u>

**Fees payable to the Company's auditors and its associated for other services to the group:**

Non-audit services payable to the auditor	<u>2,704</u>	<u>2,000</u>
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**7. Employees**

	2022 £	2021 £
Wages and salaries	21,640,097	21,390,001
Social security costs	3,051,983	2,555,122
Cost of defined contribution scheme	1,511,925	1,456,591
	<u>26,204,005</u>	<u>25,401,714</u>

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

	2022 No.	2021 No.
	<u>144</u>	<u>151</u>

**8. Directors' remuneration**

	2022 £	2021 £
Directors' emoluments	<u>-</u>	<u>1,954,786</u>

The highest paid director received remuneration of £Nil (2021: £1,954,786).

The directors' remuneration has been borne by a group company.

The directors are defined as the key management personnel of the company.

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**9. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	742,974	1,615,421
<b>Foreign tax</b>		
Foreign withholding tax	82,779	98,289
<b>Total current tax</b>	<u>825,753</u>	<u>1,713,710</u>
<b>Deferred tax</b>		
Deferred tax	(76,814)	(886,158)
<b>Total deferred tax</b>	<u>(76,814)</u>	<u>(886,158)</u>
<b>Taxation on profit on ordinary activities</b>	<u>748,939</u>	<u>827,552</u>
<b>Factors affecting tax charge for the year</b>		

The tax assessed for the year is higher than (2021: *lower than*) the standard rate of corporation tax in the UK of 19% (2021: 19.00%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>3,272,472</u>	<u>9,004,530</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19.00%)	621,770	1,710,861
<b>Effects of:</b>		
Expenses not deductible for tax purposes	6,889	(17,396)
Foreign withholding tax	82,779	98,289
Adjustments to tax charge in respect of prior periods	-	(964,202)
Other differences	37,501	-
<b>Total tax charge for the year</b>	<u>748,939</u>	<u>827,552</u>

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**10. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2022	1,060,000
At 31 December 2022	<u>1,060,000</u>
<b>Amortisation</b>	
At 1 January 2022	1,060,000
At 31 December 2022	<u>1,060,000</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>-</u></u>
<i>At 31 December 2021</i>	<u><u>-</u></u>

The Goodwill relates to the "Nerve" development which was purchased in a trade and assets transaction on 11 December 2015.



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**11. Tangible fixed assets**

	Equipment £	Artwork £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	446,671	56,750	503,421
At 31 December 2022	446,671	56,750	503,421
<b>Depreciation</b>			
At 1 January 2022	440,178	-	440,178
Charge for the year on owned assets	6,493	-	6,493
At 31 December 2022	446,671	-	446,671
<b>Net book value</b>			
At 31 December 2022	-	56,750	56,750
At 31 December 2021	6,493	56,750	63,243

**12. Debtors and other receivables**

	2022 £	2021 £
Amounts owed by group undertakings	16,349,125	17,839,687
Other debtors	1,537	12,067
VAT repayable	3,012	8,263
Accrued income	3,967,107	2,333,274
Deferred taxation	962,972	886,158
	21,283,753	21,079,449

Amounts owed by group undertakings are interest free and repayable on demand.

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**13. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	<u>543,513</u>	<u>348,211</u>

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

	2022 £	2021 £
Trade creditors	11,063	20,481
Corporation tax	273,323	1,615,421
Other creditors	77,144	199,486
Accruals	3,740,199	6,606,661
	<u>4,101,729</u>	<u>8,442,049</u>

**15. Creditors: Amounts falling due after more than one year**

	2022 £	2021 £
Accruals	<u>2,209,900</u>	<u>-</u>

**16. Related party transactions**

Included within debtors and accrued income is £20,316,232 (2021: £20,172,961) owed to the Company by entities within the McKinsey Group.

**17. Deferred taxation**

	2022 £	2021 £
At beginning of year	886,158	-
Charged to profit or loss	76,814	(78,044)
Prior year adjustments	-	964,202
At end of year	<u>962,972</u>	<u>886,158</u>

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**17. Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accrued bonuses	735,146	628,431
Accelerated capital allowances	191,936	154,213
Vacation accruals	35,890	103,514
	<u>962,972</u>	<u>886,158</u>

**18. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
506,009 (2021: 506,009) Ordinary shares of £0.00001 each	<u>5</u>	<u>5</u>

**19. Reserves**

**Profit and loss account**

The profit and loss account includes all current and prior period profit and losses.

**Share premium account**

The share premium account includes all excess amounts paid over nominal value of share capital.

**20. Post balance sheet events**

There were no events that occurred after the balance sheet date.

**21. Ultimate controlling party**

The ultimate controlling party is McKinsey & Company, Inc., a company registered in the United States of America.

The immediate parent company is McKinsey & Company, Inc. United Kingdom, a company incorporated in the United States of America.