

1ST SOLUTION CONSULTING LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



TWP ACCOUNTING LLP
Chartered Accountants & Statutory Auditors
The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE

1ST SOLUTION CONSULTING LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 1ST SOLUTION CONSULTING LTD. UNDER SECTION 449 OF THE COMPANIES ACT 2006

Opinion

We have audited the financial statements of 1st Solution Consulting Ltd. (the 'Company') for the year ended 31 December 2022, which comprise the Balance Sheet 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 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 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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that conditions identified that may cast significant doubt on the Company's ability to continue as a going concern. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

1ST SOLUTION CONSULTING LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 1ST SOLUTION CONSULTING LTD. (CONTINUED) UNDER SECTION 449 OF THE COMPANIES ACT 2006

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 director is 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page , the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

1ST SOLUTION CONSULTING LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 1ST SOLUTION CONSULTING LTD. (CONTINUED) UNDER SECTION 449 OF THE COMPANIES ACT 2006

Auditor's responsibilities for the audit of the financial statements

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

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

- *Obtain an understanding of the policies and procedures management has in place to detect and prevent fraud and non-compliance with laws and regulations.
- *Enquire of management any cases of actual or suspected fraud and non-compliance with laws and regulations.
- *Enquire of management and those charged with governance around actual and potential litigation and claims.
- *Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- *Assess the key risk areas within the financial statements which are susceptible to fraud or error and design our audit approach thereon.
- *Perform substantive tests on a sample of transactions throughout the financial statements to ensure that no material errors have been identified.
- *Perform cut off tests on a sample of transactions to ensure income has been accounted for in the correct period.
- *Review of after year end information to ensure expenditure have been accounted for in the correct period.
- *Perform analytical review procedures to identify any irregularities and investigation thereon.
- *Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.

1ST SOLUTION CONSULTING LTD.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 1ST SOLUTION CONSULTING LTD.
(CONTINUED)

UNDER SECTION 449 OF THE COMPANIES ACT 2006

TWP Accounting LLP

Paul Hawksley (Jul 3, 2023, 1:58pm)
Paul Hawksley FCA CTA MAAT (Senior Statutory Auditor)

for and on behalf of
TWP Accounting LLP

Chartered Accountants
Statutory Auditors

The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE

Date: 03 Jul 2023

1ST SOLUTION CONSULTING LTD.
REGISTERED NUMBER: 09663454

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Tangible assets	4	1,042	-
		<u>1,042</u>	<u>-</u>
Current assets			
Stocks	5	272,402	161,693
Debtors: amounts falling due within one year	6	479,507	583,015
Cash at bank and in hand	7	167,367	165,421
		<u>919,276</u>	<u>910,129</u>
Creditors: amounts falling due within one year	8	(1,526,836)	(1,577,115)
Net current liabilities		<u>(607,560)</u>	<u>(666,986)</u>
Total assets less current liabilities		<u>(606,518)</u>	<u>(666,986)</u>
Net liabilities		<u>(606,518)</u>	<u>(666,986)</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		(606,618)	(667,086)
		<u>(606,518)</u>	<u>(666,986)</u>

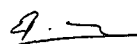
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

01 Jul 2023


 Frank Shams (Jun 30, 2023, 11:20pm)

Frank Shams
 Director

The notes on pages 6 to 13 form part of these financial statements.

1ST SOLUTION CONSULTING LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

1st Solutions Consulting Ltd. is a Company limited by shares and incorporated and domiciled in the UK. The registered number is 0963454. The address of the registered office is given in the Company information page of these financial statements.

The Director has elected to prepare the financial statements under the historical cost convention and accordance with FRS 102 (Section 1A for small companies).

The presentation currency of these financial statements is sterling. All amounts stated in the financial statements have been rounded to the nearest £1.

Judgements made by the Director, in the application of these accounting policies that have significant effect on the financial statements and estimated with a significant risk of material adjustment in the next year are discussed in note 2.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

1st Solution Consulting Ltd. has made a profit before tax for the financial year of £46,469 (2021: £46,326) and has net liabilities of £606,518 (2021: £666,986) at the reporting date.

The Director considers that the financial resources available to the Company are adequate to meet its operational needs for the foreseeable future. Consequently the going concern basis has been adopted in preparing these financial statements. In addition, the parent company 1st Solution Consulting GmbH has indicated that it will provide support for the foreseeable future.

1ST SOLUTION CONSULTING LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1ST SOLUTION CONSULTING LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Pensions

Defined contribution pension plan

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

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

2.7 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

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

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

2.8 Tangible fixed assets

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

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

1ST SOLUTION CONSULTING LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Office equipment	-	33% Straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Stocks

Profit on consultancy services is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as project activity progresses. Turnover is derived on a cost mark-up basis for the related project activity costs. Where work has been completed but not yet invoiced, profit is recognised and accrued income is included in debtors along with associated costs as accruals within creditors. Full provision is made for losses on all projects in the year in which they are first foreseen.

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.

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 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1ST SOLUTION CONSULTING LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1ST SOLUTION CONSULTING LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2021 - 2).

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
Additions	1,172
At 31 December 2022	<u>1,172</u>
Depreciation	
Charge for the year on financed assets	130
At 31 December 2022	<u>130</u>
Net book value	
At 31 December 2022	<u><u>1,042</u></u>
At 31 December 2021	<u><u>-</u></u>

5. Stocks

	2022 £	2021 £
Work in progress	272,402	161,693
	<u>272,402</u>	<u>161,693</u>

6. Debtors

	2022 £	2021 £
Trade debtors	303,192	425,920
VAT	59,265	55,669
Prepayments and accrued income	1,625	-
Deferred taxation	115,425	101,426
	<u>479,507</u>	<u>583,015</u>

1ST SOLUTION CONSULTING LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	167,367	165,421
	<u>167,367</u>	<u>165,421</u>

8. Creditors: Amounts falling due within one year

	2022 £	As restated 2021 £
Trade creditors	53,626	97,080
Amounts owed to group undertakings	1,025,500	1,118,968
Other taxation and social security	2,180	1,470
Other creditors	199,215	85,833
Accruals and deferred income	246,315	273,764
	<u>1,526,836</u>	<u>1,577,115</u>

9. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100 (2021 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

10. Prior year adjustment

A prior year adjustment has been included within these financial statements to reflect interest expense on the intercompany loan previously not recognised between the period 2018 to 2021 and associated impact on corporation tax. For the year ended 31 December 2021 interest expense of £27,784 has been recognised in interest payable within the profit and loss and within creditors on the balance sheet. A further interest expense of £78,350 for the years ended 2018 to 2020 was recognised in the profit and loss reserves and creditors on the balance sheet, the net impact is a reduction of £103,134 on the profit and loss reserves as at 31 December 2021.

11. Related party transactions

As a wholly owned subsidiary, the Company is exempt under Section 33.1A of FRS 102 from the requirement to disclose transactions with its parent and other wholly owned subsidiaries of 1st Solution Consulting GmbH.

1ST SOLUTION CONSULTING LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Ultimate parent undertaking and controlling party

The Company's immediate and ultimate controlling party is 1st Solution Consulting GmbH, a company registered in Germany.

13. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 03 Jul 2023 by Paul Hawksley FCA CTA MAAT (Senior Statutory Auditor) on behalf of TWP Accounting LLP.