

Company Registration No. 12086622 (England and Wales)

**VIMA GROUP HOLDINGS LIMITED
(FORMERLY KNOWN AS IMD HOLDINGS LTD)
ANNUAL REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**



VIMA GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D R Taylor G P Joyce P R Weston A Gaby J A M Cloke B Robinson D Eade
Company number	12086622
Registered office	Suite 6b Whitefriars Lewins Mead Bristol England BS1 2NT
Auditors	RSM UK Audit LLP Chartered Accountants Second Floor 1 The Square Temple Quay Bristol BS1 6DG

VIMA GROUP HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

Principal activities

The principal activity of VIMA Consultancy Limited, EITEC Limited and Bristol Management Centre Limited is that of consultancy services and the provision of management courses. The principal activity of the company and VIMA Group Consultancy Limited and VIMA Bristol Limited is that of a holding company.

Fair review of the business

In another successful year of growth for VIMA Group Holdings, revenue has grown 76.69% to £19,911,081 (2020: £11,269,095) and Gross margin has improved to 34.52% (2020: 31.19%). This growth and margin improvement have led to a Profit before tax of £2,958,799 (2020: £509,095).

The year saw the joining of the management consultancy, training and digital solutions companies to rebrand and create a single cyber safe digital transformation enterprise called VIMA Group. The group operates in the defence, secure government and wider public sector, as well as a range of other industries, providing strategic digital solutions to customers.

On 4 June 2021, the acquisition of EITEC Limited (EITEC) was completed. EITEC offers tailored digital technical solutions in engineering, business intelligence and IT services, and Portfolio, Programme and Project Management (P3M) support for a wide range of Government clients.

The combination of VIMA Group's existing capabilities and EITEC's services, enhances the Group's overall digital transformation capability to its clients, enabling the delivery of larger opportunities within the Defence, and the Secure and Public sectors.

The balance sheet remains healthy with net assets of £2,573,690 (2020: net liabilities £29,870).

The group's key financial performance indicators during the year were as follows:

	Unit	2021	2020
Profit before tax	£	2,958,799	509,095
Adjusted EBITDA*	£	4,667,300	2,129,118
Growth in turnover	%	76.69	352.23
Gross margin	%	34.52	31.19

*Adjusted EBITDA is a measure of earnings before interest, taxation, depreciation and amortisation adjusted for exceptional costs.

Future Developments

We will continue to seek opportunities to grow the company in accordance with our ambitious plans.

We have created a great business culture and an employee engaged business, that delivers and delights our clients. We will continue to build on this by increasing investment in our current capabilities and our Cyber and Data Service offerings. We will also further invest in the learning and development of our team and increase our own staff numbers to drive our growth plans and continue to keep the happy, transparent, and vibrant VIMA culture.

Our client base is expanding investment in complex digital programmes and consequently the demand for our services continues to grow. We will further recruit into our business development team to increase the opportunities in our sales pipeline and build great relationships with our clients and partners.

Finally, we will continue to investigate and make acquisitions that enhance our capability, resource and growth in new markets.

Principal risks and uncertainties

All of the risks described within this section are classified as principal risks within the Group's Risk Management Framework and are considered to be important to the future development, performance and position of the Group.

VIMA GROUP HOLDINGS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

COVID-19 risk

With a public sector client base, including government departments providing essential services to UK Defence and Security, our core business has been relatively immune to the impact of Covid. Associated operational risks, such as: transitioning to remote working, supply chain resilience and establishing virtual classroom course delivery, were successfully mitigated during the early phases of the pandemic and the actions taken continue to provide additional flexibility and resilience to our business operations.

Recruitment and retention of staff risk

As a professional services business the recruitment and retention of staff is a perennial challenge. We have established the in-house team and processes to address this challenge and ensure we maintain the optimum quantity and skillset mix of consultants to meet the needs of current and future clients. This year we have increased our staff to associate ratio and successfully recruited into our first graduate programme. We also continue to improve our benefits package in line with market norms and are delighted with our 92% retention.

Cyber risk

As the Group continues to grow, with a number of projects running, operational risk will continue to remain an area of focus. Operational risks such as cyber risk and IT security are reviewed at Board level on a quarterly basis. Cyber risk is high profile within the VIMA client base due to the secure nature of the work we do. However, our classified work is exclusively undertaken within accredited, client-side IT systems and is therefore suitably controlled and mitigated. Our internal IT processes ensure the same level of rigour and best practice for the business information we are required to process.

On behalf of the board



J A M Cloke
Director

Date: 31 May 2022

VIMA GROUP HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021. In the year, the company changed names from IMD Holdings Limited to VIMA Group Holdings Limited.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D R Taylor	
G P Joyce	
T Holroyd	(Resigned 26 March 2021)
P R Weston	(Appointed 26 March 2021)
A Gaby	
J A M Cloke	
B Robinson	
D Eade	(Appointed 6 January 2022)

Matters covered in the Strategic Report

The Group's business environment and risks, together with the details of monitoring undertaken by the directors and future developments are dealt with in the Strategic Report.

Results and dividends

The results for the period are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Financial instruments

The Group's financial instruments comprise borrowings, cash and liquid resources and various other items such as trade debtors and trade creditors that arise from its operations.

The Group is exposed through its operations to the following instruments risks: credit risk, liquidity risk, price risk and interest rate risk. The policy for managing these risks is determined by the board. The Group's policy in respect of each of these risks is detailed below.

Price risk, credit risk, liquidity risk and interest rate risk

Credit risk

The Group offers certain of its customers credit. Before credit terms are agreed, an assessment of the customer's credit rating is undertaken to ensure the company is not exposed to a major credit risk.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges on its borrowings. The liquidity of the Group is monitored by the board to ensure the Group is able to meet its operational requirements. At the balance sheet date, cash flow projections were considered by the board and the Group is forecast to have sufficient funding facilities to meet the Group's obligations as they fall due.

Price risk

Through careful monitoring of the Group's marketplace and competitors the Group's exposure to price is kept to a minimum.

Interest rate risk

The most significant interest rate risk involves the interest rate fluctuations. The directors view short term base rate volatility to be low. The Group is well placed to deal with any rise in interest rates.

Auditor

RSM UK Audit LLP was appointed auditor during the year and has indicated its willingness to continue in office.

VIMA GROUP HOLDINGS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



J A M Cloke
Director

Date: 31 May 2022

VIMA GROUP HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Directors' Report, the Strategic 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). 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 group and the company and of the profit or loss of the group and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIMA GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of VIMA Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statements of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIMA GROUP HOLDINGS LIMITED

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 group's and the parent 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 group or the parent 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIMA GROUP HOLDINGS LIMITED

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, performing substantive analytical over revenue, testing the recognition of a sample of revenue items both pre and post year end with reference to the relevant contractual terms and course booking information, testing managements controls over revenue recognition and reviewing the appropriateness of amounts treated as deferred income.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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.



HYWEL PEGLER (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Second Floor
1 The Square
Temple Quay
Bristol
BS1 6DG

Date 31 May 2022

VIMA GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Turnover	3	19,911,081	11,269,095
Cost of sales		(13,036,982)	(7,753,995)
Gross profit		6,874,099	3,515,100
Administrative expenses		(3,350,385)	(2,351,035)
Other operating income		7,500	53,018
Operating profit	6	3,531,214	1,217,083
Interest payable and similar expenses	8	(572,415)	(707,988)
Profit before taxation		2,958,799	509,095
Tax on profit	9	(723,064)	(256,070)
Profit for the financial year		2,235,735	253,025

The profit for the financial period is all attributable to the owners of the parent company.

VIMA GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

Company Registration No. 12086622

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Fixed assets			
Goodwill	10	6,358,262	5,017,364
Other intangible assets	10	38,434	20,432
Total intangible assets		6,396,696	5,037,796
Tangible assets	11	158,453	153,829
		6,555,149	5,191,625
Current assets			
Debtors	15	2,159,236	1,460,415
Cash at bank and in hand		1,678,860	1,127,820
		3,838,096	2,588,235
Creditors: amounts falling due within one year	16	(3,815,398)	(2,801,400)
Net current assets / (liabilities)		22,698	(213,165)
Total assets less current liabilities		6,577,847	4,978,460
Creditors: amounts falling due after more than one year	17	(4,002,335)	(5,006,508)
Provisions for liabilities	19	(1,822)	(1,822)
Net assets / (liabilities)		2,573,690	(29,870)
Capital and reserves			
Called up share capital	21	1,026	1,000
Share option reserve		59,730	-
Share premium		308,069	-
Profit and loss reserves	22	2,204,864	(30,870)
Total equity		2,573,690	(29,870)

The financial statements were approved by the board of directors and authorised for issue on 31 May 2022 and are signed on its behalf by:



J A M Cloke
Director

VIMA GROUP HOLDINGS LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

Company Registration No. 12086622

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Fixed assets			
Investments	12	6,398,155	6,398,155
Current assets			
Debtors	15	125,421	72,083
Creditors: amounts falling due within one year	16	(3,870,029)	(2,495,762)
Net current liabilities		(3,744,608)	(2,423,679)
Total assets less current liabilities		2,653,547	3,974,476
Creditors: amounts falling due after more than one year	17	(3,968,864)	(5,006,508)
Net liabilities		(1,315,317)	(1,032,032)
Capital and reserves			
Called up share capital	21	1,026	1,000
Share option reserve		59,730	-
Share premium		308,069	-
Profit and loss reserves	22	(1,684,142)	(1,033,032)
Total equity		(1,315,317)	(1,032,032)

As permitted by s408 Companies Act 2006, the company has not presented its Statement of Comprehensive Income and related notes as it prepares group accounts. The company's result for the period is disclosed in the company Statement of Changes in Equity on page 14.

The financial statements were approved by the board of directors and authorised for issue on 31 May 2022 and are signed on its behalf by:



J A M Cloke
Director

VIMA GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share option reserve £	Share premium £	Profit and loss reserves £	Total £
Year ended 31 December 2020:						
Profit and total comprehensive income for the period		-	-	-	253,025	253,025
Balance at 31 December 2020		1,000	-	-	(30,870)	(29,870)
Year ended 31 December 2021:						
Issue of share capital	21	26	-	-	-	26
Issue of share options	22	-	59,730	-	-	59,730
Issue of share premium	22	-	-	308,069	-	308,069
Profit and total comprehensive income for the period		-	-	-	2,235,735	2,235,735
Balance at 31 December 2021		1,026	59,730	308,069	2,204,865	2,573,690

VIMA GROUP HOLDINGS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share option reserve £	Share premium £	Profit and loss reserves £	Total £
Year ended 31 December 2020:						
Loss and total comprehensive income for the period		-	-	-	(722,138)	(722,138)
Balance at 31 December 2020		1,000	-	-	(1,033,032)	(1,032,032)
Year ended 31 December 2021:						
Issue of share capital	21	26	-	-	-	26
Issue of share options	22	-	59,730	-	-	59,730
Issue of share premium	22	-	-	308,069	-	308,069
Loss and total comprehensive income for the period		-	-	-	(651,110)	(651,110)
Balance at 31 December 2021		1,026	59,730	308,069	(1,684,142)	(1,315,317)

VIMA GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Cash flows from operating activities			
Cash generated from operations	23	4,189,438	2,317,628
Interest paid		(546,160)	(696,065)
Income taxes paid		(595,005)	(144,619)
Net cash inflow from operating activities		3,048,273	1,476,944
Investing activities			
Acquisition of subsidiaries (net of cash acquired)	(1,164,907)	-	-
Payment of earnout	-	(190,611)	(190,611)
Purchase of intangible assets	(24,282)	(34,446)	(34,446)
Purchase of tangible fixed assets	(51,515)	(159,464)	(159,464)
Proceeds from sale of tangible fixed assets	-	780	780
Net cash used in investing activities		(1,240,704)	(383,791)
Financing activities			
Issue of loan notes	-	43,769	43,769
Loan repayments	(1,256,529)	(450,000)	(450,000)
Net cash used by financing activities		(1,256,529)	(406,231)
Net increase in cash and cash equivalents		551,040	686,972
Cash and cash equivalents at beginning of period		1,127,820	440,848
Cash and cash equivalents at end of period		1,678,860	1,127,820

VIMA GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

VIMA Group Holdings Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. In the year, the company changed names from IMD Holdings Limited to VIMA Group Holdings Limited. The registered office is Suite 6b, Whitefriars, Lewins Mead, Bristol, England, BS1 2NT.

The group consists of VIMA Group Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate those of VIMA Group Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

VIMA GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

Going concern

These financial statements have been prepared on an going concern basis on the grounds that the directors consider that the Group holds sufficient cash reserves to provide significant headroom to offset any cashflow uncertainties and therefore the Group will be able to continue to meet its debts as they fall due.

In order to assess the going concern assumptions, the directors have considered detailed trading and cashflow projections for a period of at least 12 months from the date of approval of these financial statements. As part of the forecasting exercise management have considered in detail the probability of contract renewals and are satisfied with the results of this exercise and approach adopted. The directors have assessed the risk associated with each project and have factored this risk into their calculations. There has been minimal impact of COVID-19 and the directors do not envisage any material impact going forward.

The directors are confident that the steps they have taken to mitigate the associated risk, in tandem with future plans for the Group, will ensure the Group is well positioned to continue to trade throughout the current uncertain economic environment. They have therefore concluded that there is no material uncertainty about the ability of the Group to continue as a going concern and that it remains appropriate to prepare the financial statements on a going concern basis.

Reporting Period

The financial statements cover the year to 31 December 2021. The comparative period covers the year to 31 December 2020.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Contract revenue recognition

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its performance under these contracts. It is measured at fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding VAT.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors as gross amount due from customers for contract work and payments on account in excess of the relevant amount of revenue are included in creditors as gross amount due to customers for contract work.

Fee income that is contingent on events outside the control of the company is recognised when the contingent event occurs.

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

Government grant income

Income from government grants is presented within other operating income. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is between 4 and 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets other than goodwill

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the company are recognised as intangible assets when the following criteria are met:

- 1) It is technically feasible to complete the project so that it will be available for use;
- 2) management intends to complete the project and use or sell it;
- 3) there is an ability to use or sell the product;
- 4) it can be demonstrated how the project will generate probable future economic benefits;
- 5) adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- 6) the expenditure attributable to the project during its development can be reliably measured.

Once a project is completed it is amortised over its useful life on the following basis:

Internally generated software	3 years
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Depreciated over the life of the lease
Furniture, fittings and equipment	15% reducing balance
Computer Equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

Impairments of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax is based on taxable profit for the year. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets are recognised when tax paid exceeds the tax payable. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Share-based payments

The Company grants equity-settled share-based payments which are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Areas of judgement

Judgement is used in the valuation and vesting conditions associated with the share-based payment charge.

Judgement is used in the recognition of revenue on fixed fee contracts where revenue reflects the accrual of the right to consideration by reference to the value of work performed.

3 Turnover

	2021 £	2020 £
Turnover analysed by class of business		
Rendering of services	19,767,196	11,243,199
Other revenue	143,885	25,896
	<u>19,911,081</u>	<u>11,269,095</u>
	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	<u>19,911,081</u>	<u>11,269,095</u>

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

4 Employees

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

	2021 £	2020 £
Administrative staff	23	15
Consulting staff	43	19
	<u>66</u>	<u>34</u>

Their aggregated remuneration comprised:

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Wages and salaries	3,857,819	469,560	1,997,110	396,250
Social security costs	391,619	46,843	202,860	43,840
Pension costs	136,091	19,064	49,782	11,098
	<u>4,385,529</u>	<u>535,467</u>	<u>2,249,752</u>	<u>451,188</u>

5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	628,588	659,044
	<u>628,588</u>	<u>659,044</u>
In respect to the highest paid director		
	2021 £	2020 £
Remuneration for qualifying services	258,942	274,338

Costs of £628,588 (2020: £617,219) in relation to Director's remuneration have been incurred by VIMA Group Holdings Limited. The remaining costs have been expensed within the trading subsidiaries.

No share options have been exercised in the year.

Management deems the directors to be key management personnel and as such key management personnel remuneration is the same as the directors' remuneration above.

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

6 Operating profit

	2021	2020
	£	£
Operating profit for the period is stated after charging		
Fees payable to the company's auditor for the audit of the financial statements of the group and company and for non-audit services	76,595	44,255
Depreciation of owned tangible fixed assets	51,715	19,361
Amortisation of intangible assets	710,104	616,289
(Profit) / loss on disposal of tangible fixed assets	(8,308)	12,839
Loss on disposal of intangible assets	-	78,558
Stock based compensation expense	59,730	-
Operating lease charges	54,298	38,479
	<u>76,595</u>	<u>44,255</u>

7 Auditors remunerations

	2021	2020
	£	£
Audit	43,850	28,000
Tax	13,825	7,805
Other services	18,920	8,450
	<u>76,595</u>	<u>44,255</u>

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	181,681	221,328
Other interest on financial liabilities	390,734	486,660
	<u>572,415</u>	<u>707,988</u>

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	736,059	268,000
Adjustments relating to prior periods	(12,995)	(11,930)
	<u>723,064</u>	<u>256,070</u>

The total tax charge for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	2,958,799	509,095
	<u>2,958,799</u>	<u>509,095</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2020: 19%)	562,172	96,728
Tax effect of expenses not deductible in determining taxable profit	188,992	187,861
Deferred tax not recognised	(2,202)	(22,014)
Research and development tax credit	(4,811)	(7,569)
Adjust deferred tax to rate used in reconciliation	2,019	-
Other	(10,111)	12,994
	<u>736,059</u>	<u>268,000</u>
Taxation charge	<u>736,059</u>	<u>268,000</u>

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

10 Intangible assets

Group	Goodwill £	Internally Generated software £	Total £
Cost			
At 1 January 2021	5,905,505	20,432	5,925,937
Arising on acquisition	2,044,722	-	2,044,722
Additions – internally developed	-	24,282	24,282
	<hr/>	<hr/>	<hr/>
At 31 December 2021	7,950,227	44,714	7,994,941
	<hr/>	<hr/>	<hr/>
Amortisation and impairment			
At 1 January 2021	888,141	-	888,141
Amortisation charged for the period	703,824	6,280	710,104
	<hr/>	<hr/>	<hr/>
At 31 December 2021	1,591,965	6,280	1,598,245
	<hr/>	<hr/>	<hr/>
Carrying amount			
31 December 2021	6,358,262	38,434	6,396,696
	<hr/>	<hr/>	<hr/>
31 December 2020	5,017,364	20,432	5,037,796
	<hr/>	<hr/>	<hr/>

The company had no intangible fixed assets at 31 December 2021. Amortisation is charged through administrative expenses. The goodwill is in relation to the purchase of EITEC Limited on 4 June 2021.

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

Group	Leasehold improvements £	Furniture, fittings, and equipment £	Computer equipment £	Total £
Cost				
1 January 2021	55,604	27,335	91,103	174,042
Additions	40,576	891	9,111	50,578
Acquired with subsidiaries	-	2,661	3,100	5,761
Disposals	(3,100)	-	-	(3,100)
31 December 2021	93,080	30,887	103,314	227,281
Depreciation and impairment				
1 January 2021	4,634	1,096	14,483	20,213
Depreciation charged in the year	28,974	3,273	19,468	51,715
Disposals	(3,100)	-	-	(3,100)
31 December 2021	30,508	4,369	33,951	68,828
Carrying amount				
31 December 2021	62,572	26,518	69,363	158,453
31 December 2020	50,970	26,239	76,620	153,829

The company had no tangible fixed assets at 31 December 2021.

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 Fixed asset Investments

	Notes	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Investments in subsidiaries	12	-	6,398,155	-	6,398,155

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2021	6,398,155
At 31 December 2021	6,398,155
Carrying amount	
At 31 December 2021	6,398,155
At 31 December 2020	6,398,155

13 Subsidiaries

The companies listed below were subsidiaries at the reporting date. VIMA Group Consultancy Limited is a direct subsidiary. All other subsidiaries are indirect.

Name of undertaking		Class of shares held	%Held	
	Nature of business		Direct	Indirect
VIMA Group Consultancy Limited	Holding of investments	Ordinary	100.00	-
VIMA Consultancy Limited	Consultancy services	Ordinary	-	100.00
VIMA Bristol Limited	Holding of investments	Ordinary	-	100.00
VIMA Group Services Limited	Consultancy services	Ordinary	-	100.00
EITEC Limited	Consultancy services	Ordinary	-	100.00
Bristol Management Centre Limited	Provision of management courses	Ordinary	-	100.00

The registered office of all subsidiaries is: Suite 6b, Whitefriars, Lewins Mead, Bristol, England, BS1 2NT.

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

14 Acquisitions

On 4 June 2021 VIMA Consultancy Limited acquired 100% of the issued capital of EITEC Limited for a consideration of £2,590,080.

	Book Value £	Adjustments £	Fair Value £
Tangible fixed assets	4,824	-	4,824
Trade and other debtors	568,249	-	568,249
Cash and cash equivalents	425,174	-	425,174
Trade and other creditors	(402,889)	-	(402,889)
Bank loans	(50,000)	-	(50,000)
	<u>545,358</u>	<u>-</u>	<u>545,358</u>
Goodwill			2,044,722
Total consideration			<u>2,590,080</u>

The consideration was satisfied by:

	£
Cash	1,590,080
Issue of loan notes	191,905
Issue of shares	308,095
Deferred consideration	500,000
	<u>2,590,080</u>

15 Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Trade debtors	1,820,122	1,344,271	-	-
Amounts owed by group undertakings	-	-	50,288	50,288
Other taxation and social security	17,748	-	17,748	-
Other debtors	321,366	116,144	57,385	21,795
	<u>2,159,236</u>	<u>1,460,415</u>	<u>125,421</u>	<u>72,083</u>

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

16 Creditors: amounts falling due within one year

	Notes	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans and overdrafts	17	460,000	450,000	450,000	450,000
Trade creditors		863,117	648,199	98,714	18,990
Amounts owed to group undertakings		-	-	3,160,517	1,790,423
Corporation tax payable		429,999	268,000	-	-
Other taxation and social security		708,364	527,449	-	-
Other creditors		1,353,918	907,752	160,798	236,349
		<u>3,815,398</u>	<u>2,801,400</u>	<u>3,870,029</u>	<u>2,495,762</u>

17 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Debenture loans	17	3,337,619	3,145,713	3,337,619	3,145,713
Bank loans and overdrafts	17	664,716	1,860,795	631,245	1,860,795
		<u>4,002,335</u>	<u>5,006,508</u>	<u>3,968,864</u>	<u>5,006,508</u>

VIMA GROUP HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

18 Borrowings

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Debenture loans	3,337,619	3,145,713	3,337,619	3,145,713
Bank loans	1,124,716	2,310,795	1,081,245	2,310,795
	<u>4,462,335</u>	<u>5,456,508</u>	<u>4,418,864</u>	<u>5,456,508</u>
Payable within one year	460,000	450,000	450,000	450,000
Payable after one year	<u>4,002,335</u>	<u>5,006,508</u>	<u>3,968,864</u>	<u>5,006,508</u>

Loan stock

Debenture loans comprise of A, B and C loan stock.

A loan stock of £1,999,350 (2020 - £1,999,350) is repayable in equal instalments on August 2023 and August 2024. Interest is being charged at 15% quarterly up until 30 September 2020 and 12% thereafter. The first instalment being due on 30 September 2019.

B loan stock of £1,294,499 (2020 - £1,102,594) is repayable in equal instalments on August 2023 and August 2024. Interest is being charged at 15% quarterly up until 30 September 2020 and 12% thereafter. The first instalment being due on 30 September 2019.

C loan stock of £43,769 (2020 - £43,769) was issued on 31 July 2020 as part of the earn out payment. Interest is being charged at 15% quarterly up until 30 September 2020 and 12% thereafter. The first instalment being due on 30 September 2020.

Bank Loans

A bank loan of £3,000,000 was taken out on 2 August 2019 and is being repaid in quarterly instalments starting on 30 September 2019 of £50,000 and £112,500 thereafter until termination on 30 September 2024. Interest is variable, and is currently charged at 7.5% and is paid quarterly on the outstanding balance. The interest is based on LIBOR and is subject to changes by the lender.

A one-off payment was made of £800,000 in November 2021 against the bank loan.

The loans are secured by way of a fixed and floating charge over all the assets of the company and that of the company's subsidiary undertakings.

A bank loan of £50,000 was taken out in EITEC Limited on 9 September 2020 and is being repaid in monthly instalments starting on 14 June 2021 of £833.33 until termination on 31 May 2026. Interest is fixed and charged at 2.5% and is paid monthly on the outstanding balance.

VIMA GROUP HOLDINGS LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

19 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2021 £	Liabilities 2020 £
Group		
Fixed asset timing differences	1,822	1,822

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
Movements in the period:		
Liability at 1 January and 31 December 2021	1,822	1,822

The deferred tax liability set out above is expected wholly to reverse within the next twelve months.

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	136,091	49,782

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Share capital

	Group and company 2021 £	Group and company 2020 £
Ordinary share capital		
Issued and fully paid		
650,000 Ordinary A shares of 0.1 p each	650	650
375,641 Ordinary B shares of 0.1 p each	376	350
	1,026	1,000

Ordinary A shares have attached to them full voting, dividend and capital distribution rights, including on winding up and are not redeemable.

Ordinary B shares have attached to them full voting, dividend and capital distribution rights, including on winding up and are not redeemable.

VIMA GROUP HOLDINGS LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

22 Reserves

Profit and loss reserves

The profit and loss reserves reflect cumulative profits and losses net of distributions to members.

Share premium reserves

The share premium reserves reflect the issue of shares.

Share option reserves

The share option reserves reflect the issue of share options.

23 Cash generated from group operations

	2021	2020
	£	£
Profit for the period after tax	2,235,735	253,025
Adjustments for		
Taxation charged	723,064	256,070
Finance costs	572,415	707,988
Amortisation and impairment of intangible assets	710,104	616,289
Depreciation and impairment of tangible fixed assets	51,716	19,361
Stock based compensation expense	59,730	-
Loss on disposal of tangible fixed assets	-	12,839
Loss on disposal of intangible assets	-	77,778
Movements in working capital:		
(Increase) in debtors	(112,824)	(549,090)
(Decrease) / increase in creditors	(50,502)	923,368
Cash generated from operations	4,189,438	2,317,628

24 Analysis of changes in net debt - group

	1 January 2021	Cash flows	Cash flows from acquisitions	31 December 2021
	£	£	£	£
Cash at bank and in hand	1,127,820	125,866	425,174	1,678,860
Borrowings excluding overdrafts	(5,456,508)	1,044,173	(50,000)	(4,462,335)
	<u>(4,328,688)</u>	<u>1,170,039</u>	<u>375,174</u>	<u>(2,783,475)</u>

VIMA GROUP HOLDINGS LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Within one year	85,176	55,854	-	-
Between one and five years	251,041	181,526	-	-
	<u>336,217</u>	<u>237,380</u>	<u>-</u>	<u>-</u>

26 Share-based payments

	2021 Options Number	2021 Weighted average exercise price £	2020 Options Number	2020 Weighted average exercise price £
Outstanding at 1 January 2021	-	-	-	-
Granted during the year	17,530	19.47	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
	<u>17,530</u>	<u>19.47</u>	<u>-</u>	<u>-</u>
Outstanding at 31 December 2021	17,530	19.47	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Exercisable at 31 December 2021	-	-	-	-

The Company grants equity-settled share-based payments which are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The earliest exercise date of these is dependent on performance conditions vesting on or before the first anniversary of the grant date.

VIMA GROUP HOLDINGS LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

27 Financial instruments

Categorisation of financial instruments		2021	2020
		£	£
Financial liabilities measured at fair value through profit or loss		59,730	-
		<u> </u>	<u> </u>
Items of income, expenses, gains, or losses	Income	Expense	Net gains
	£	£	£
Financial liabilities measured at fair value through profit or loss	-	59,730	-
	<u> </u>	<u> </u>	<u> </u>
	-	59,730	-
	<u> </u>	<u> </u>	<u> </u>

28 Related party transactions

The company has taken advantage of the exemption available under section 33 of FRS 102 and has not disclosed details of transactions or balances with other wholly-owned group entities.

Iain Wallace, a director of EITEC Limited, received B Loan note interest in the year of £7,445.

At the period end, the group's principal investor Chiltern Capital LLP held group loan notes of £1,999,350 and were paid interest of £239,922 (2020: £308,977). In addition, the group paid Chiltern Capital LLP fees of £98,587 (2020: £81,649).

Certain key management personnel hold loan notes to the value of £1,143,363 (see note 18) and were paid £137,564 of interest (2020: £172,771).

29 Controlling party

The ultimate controlling party is Chiltern Capital Nominees (Drake) Limited